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Race and the American National Question

Haz Al-Din[1]

Race Vs. Nationality

The peculiar category of ‘race,' which acquires a pronounced significance in the United States of America, is overall a geographic and continental category of population.

When one speaks of “race,” it is not necessary to think in grand, metaphysical terms - or, in the case of the various pseudointellectual and pseudoscientific racialists, something biological. It suffices only to familiarize oneself with the colloquial historical use of the word ‘race,’ which is often far less metaphysically loaded.

A ‘race’ of people broadly refers to a multitude of different groups united by certain common characteristics. But in contrast to nations and civilizations, or other unifying principles of mankind - “race” is a passive principle. It is what Hegel would regard as an inferior or false universality. Not a dialectical unity of universal and particular, but merely common qualities across the particular.

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1. Haz Al-Din is the Executive Chairman of the American Communist Party. He is a political theorist and thought-leader for the Infrared Media Collective.

These qualities do not themselves shape the particular or exert any influence upon it - they are purely passive, accidental characteristics which are determined passively, in a ‘one sided’ way. By contrast - for Hegel, a true dialectical universality itself shares identity with the particular, itself exerting causal and definitive influence (thus, for Hegel, ‘the Rose is Red’ means that Roses *literally are* the color Red, rather than redness being a mere attribute).

“Racial” qualities are not rooted in religion, politics, or ideology, or any other unifying principle of existence - but in shared characteristics (including physical) that are a consequence of shared geographic and civilizational (exchange, diplomacy, conflict, etc.) proximity. Passive proximity is thus the essence of “race” and the realities of “race.”

The notion of a political project or ideology founded upon “race” is therefore nonsense. To elevate race into a national principle is likewise an absurdity - for as per Stalin's definition of a nation, nations are not merely defined by passive proximity, but an actively shared social, cultural, historical and economic reality reflected in shared political traditions of revolution and struggle.

“Races,” by contrast, are not defined by any *actively* common existence, but rather those common qualities which are merely the consequence of shared geographic proximity. National principles unify people on a much more profound level - actively giving expression to a shared historical existence.

It is for this reason that the national principle acquires its most developed form in the French revolution, which establishes a universal state founded upon complete equality before the law. The various masses suspended in struggle, compelled by the fight for liberty, equality and fraternity acquire then a shared horizon of national existence.

While nations exist objectively and are not determined by politics, politics still plays a fundamental role in giving expression to the national form - and the modern, universal form of state (or the struggle for one thereof) is precisely an indispensable condition for national principles to acquire reality.

One might, in contesting this distinction between nation and race - point to the example of how before the French revolution, there was no uniform or homogenous “French people,” but rather a people divided ethnically. Were the French, then, merely a “race” of people who possessed only a passive common existence - until the subjective element introduced an active, national principle?

The various ‘decolonial’ Marxists in the USA argue that the United States is not a real nation, due to ethnic inequalities. Yet France was neither a homogenous nation nor likely will never become one. Various inequalities across different gentile, tribal, ethnic, religious, etc. historical minorities likely persist even to this day.

Does this justify various forms of separatism - for Bretons, etc. Even within a nation as Homogenous as France?

The truth is, is that there has never been an “ideal” homogenous nation in history. All nations are replete with “ethnic” and “national” forms of inequality which are vestiges of various premodern “gentile” “caste” and “tribal” hierarchies - inequalities which modern capitalism has never proven capable of eliminating even in the most democratic of universal republics.

The various factors which determine the inequalities within modern capitalist society are precisely accidental and passive factors that are devoid of historical meaningfulness. The truism of Marxism is precisely that the only true, active historical cause lies in the shared destiny of the proletarian class. That is why the proletarian class is the greatest force capable of unifying nations and peoples, in spite of all feudal, pre-capitalist vestiges.

One may make reference to Lenin's national question in the case of the Russian Empire. A few silly “Marxists” have attempted to liken these circumstances to today's United States. The fundamental difference, of course, lies in the fact that questions of shared language and independent, shared historical existence remained dire for the various other groups in the Russian Empire - whose own historical struggles had not yet been fully united with the predominantly Russian forces leading the Russian Revolution.

In various regions of the Russian Empire, bourgeois nationalists attempted to foment separatism and alienate the non-Russian masses from the Russian revolution. Thus, Lenin's application of the national question principally served to combat bourgeois nationalism, and elevate the forces aligned with the Russian proletariat and peasantry to leadership within regions of the then former empire.

It served to squash the pretext for separatism, by demonstrating that the Soviet state would be founded on historically inclusive principles, incorporating the diverse histories and languages of various peoples.

Moreover, Lenin's application of the national question in practice is far from infallible or applicable to all circumstances. The development of the Leninist national question under Stalin, and later in China under Mao demonstrate that clearly.

This argument regarding France, further, neglects that the French people had already been united by a common state tradition and authority in the form of the absolute monarchy. This therefore gave them an active, common historical existence rather than a merely passive one. The French revolution did not "create" the French nation, but revealed its existence, since the revolution had principally objective rather than subjective causes.

The modern, universal state is what gives the various accidental circumstances of shared existence, proximity, etc. national determination, but only insofar as it is bounded up and rooted in a particular, shared historical existence - one that itself is proven in the course of revolution and struggle itself.

Geographic Proximity

The shared characteristics of a people within geographic proximity also reflect thousands of years of warfare, conflict, trade, etc. - and even a more ancient locus of the dispersion of a population, language group with shared origins (i.e. the Gaelic peoples). Yet since all mankind shares origins at some point, this can be defined rather arbitrarily.

If the crusades, for example, had lasted longer, and the conflict between European and Arabs were further prolonged, they would, as a consequence of an increased proximity, eventually have merged into a single "race." Modern race theorists would then exaggerate common "Caucasian" origins between them.

It is precisely thanks to the fact that Arabs and Europeans did not fight each other all that often, that they now belong to separate "races" of mankind.

There is nothing extraordinary about the fact that human populations clustered more closely together are similar. And between "races" there is almost always intermediary populations that live in intermediate geographic spaces (South Europeans, East Africans, etc.).

“Race” is a purely passive and inadvertent principle - the inadvertent shared qualities that are a result of groups clustering in geographic proximity. It is not an active principle of history or existence.

The notion of race acquires a more pronounced significance as a consequence of modernity.

Populations that formed in relative isolation for thousands of years were suddenly and rapidly brought into contact. Their differences became immediately pronounced.

Global-scale maritime colonialism also led European populations to very suddenly settle on lands they had no geographic connection with.

Maritime trade routes and networks allowed “artificial” populations to subsist in lands and extract their natural wealth, without actually adapting to them geographically and civilizationally.

Thanks to advances in maritime technology and trade networks, they could still belong to a “European race” without having to actually live in Europe.

Maritime Commercial Empire

However, the actual forces of production remain rooted in land and geographic integration, not maritime commerce.

Maritime commerce accelerates the flow of goods and information. But it principally increases the interconnectivity between things and not people.

The actual production of goods - and information itself - still remains rooted in the realities of people - and their culture, habits, ways of life, and labor - united by geographic proximity.

Maritime empires are empires of “alienation.” They alienate and extract the products of civilization for a global scale accumulation for the sake of accumulation itself.

These are empires of property and not people. Their dominion is principally commodities and things.

This is why the British Empire, the ultimate maritime empire, often didn't even try to change local laws that governed people. They didn't really see governing people as their business.

It's also not a coincidence the British Empire helped invent racism - turning human beings into objects and "animal breeds" to be classified abstractly. A development, of course, inexorably tied to the rise of chattel slavery.

This was an Empire of pure capitalist alienation, at war with human existence itself.

America - Capital of Racism

In some North American colonies, European settlers started to become more closely tied to the land than rooted in Britain's maritime empire.

These were the yeomen, small subsistence farmers, and the growth of an American manufacturing class.

They began to resent the British Empire for its excessive taxation and general parasitism.

They were part of the "European race," but rebelled against the very thing maintaining this racial status.

The institution of chattel slavery, for example, always depended upon Britain's maritime empire. This subsisted up to the US civil war, where it was sustained by the export of cheap cotton to Europe - at the expense of US industry itself.

Americans, from the beginning, dreamed of building a new civilization founded on a principle totally independent of Europe.

Was it insanity?

What followed is America's awkward national existence.

Groups of people brought together solely by colonialism and slavery, otherwise separated by millennia. Very clearly distinct "races."

That's why America is the world capital of racism. Nations usually emerge as subdivisions of races and regions (i.e. France in Europe).

In America, the various peoples do not even share the accidental shared physical characteristics of prolonged geographic proximity.

In America, a national principle struggles to be born - that must unify peoples descended from entirely distinct continental 'races' of mankind. There is no precedent for that in world history.

Yet the institutions of “racial exclusion” in America were never viable in the long term - they were propped up solely by the continued dependence on maritime global trade (Southern export of cotton to Europe).

Yet the more American becomes industrially autarkic, the more the institutions of racial exclusion start to lose their material basis - the more racism actually becomes an ancillary detail in a class war that objectively transcends race.

A distinct “white race” depends upon maintaining separation within land inhabited by non-European groups. This separation can only be maintained by a flow of capital, resources and wealth *outside the land*.

Shared dependency on shared land, industry and wealth inevitably creates coexistence and fusion.

The entire premise of America as a distinct and independent nation is founded upon this shared dependency. Without it, there is no USA at all - only a variation of the British Empire.

In the early 20th century, the US began to merge with the British Empire. And today, it has evolved into its successor.

America - Capital of Anti-Racism

Now the maritime empire has evolved into its final form: The world-wide internet, planetary telecommunications and the information age itself.

American culture today is mainly based on mass media and social media. The empire of alienation has now reached its limit, transcending physical space itself.

It is precisely for this reason that the realities of physical production, geopolitics and nature (ecology) have become all the more pronounced and evident. Now they are clearly distinct.

The realities of the physical world, geography and of production - which actually unite a peoples existence - haven't been transcended. They remain.

America is now at a crossroads - taking responsibility for its geographic, natural, industrial, and continental realities - or continuing to dwell in the fake Hollywood empire of lies.

The British Empire was an “empire of alienation” only in the periphery. In the core, Britain still retained a “normal” national and “racial” existence (with the notable exception of the Irish struggle).

By contrast, the USA is both a nation and empire founded upon alienation.

The American people are alienated from their own physical reality. Even racially.

What unites black, white, brown, yellow and red in America?

Self-depreciating mockery of race itself. American super-racism creates its opposite, a type of unique anti-racism: Where all Americans retain a comical, self-aware distance from their 'race' itself.

Americans appear “alienated” from their “race” itself. European racists had a snobbish sense of superiority.

American white racists are mainly just certain of others “inferiority” - their own superiority seems undecided. The European snobbishness is un-American.

Deep down, Americans are racist toward all races, including the white race, and therefore invented the ultimate anti-racism.

Some theorize that in America, the various “races” represent distinct nations. The more inconvenient truth is that America is a nation based purely on alienation from “race” itself.

And either America is totally fake and artificial - in which case, different “racial” groups should simply return to their “native” continents - or, there is

reality to the fantastical glimmer of hope that has always taken possession of the minds and dreams of Americans - that despite the total alienation of maritime capitalist modernity, some form of humanity itself can be redeemed and salvaged at the end of it all.

This is not simply a return to the past but is a consequence of embracing an unforeseen future.

This is the entire purport of Marxism and Communism. That is why America's destiny is bound up with Communism.

The construction of a Republic of *labor*, of an authentic shared national existence based on a shared integration of labor, production and life.

Ending the parasitism of the dollar on the world, and digging one's heels into the land, becoming relatively autarkic industrially and civilizationally. Rediscovering the very premises upon which peoples are born, premises that otherwise take millennia of development to appear.

In America's (thus far dwindling) multi-racial blue collar working class and farmers, united by shared conditions of production, culture and life, we find the basis of a racially united America.

Can a new Communist future wipe out the wages of the past?

The existence of America as a nation itself depends upon it.

Then, generations into the future of a common reality of land-based production, there will be one shared American race, with different ethnic subdivisions, and cultures all united by one continental and civilizational existence.

The very premises of "race" will have been re-founded anew. The debts of the past wiped out by the shared living principle of labor and production.

2

The Continuation of Class Struggle by Other Means: Part one —What Causes War?

Alan Freeman[1]

Since the birth of capitalism, whether we date it from the Columbian conquest, from the political revolutions of the eighteenth century, or from the industrial revolutions of the nineteenth, war kills ever more people.[2] According to the most authoritative figures available, the first World War cost over 13 million battlefield deaths and the second, nearly 20 million.[3] If civilians are included, these wars alone killed or maimed up to 100 million human beings.

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1. Alan Freeman is a former principal economist with the Greater London Authority and is now a research affiliate of the University of Manitoba. With Radhika Desai, he is co-director of the Geopolitical Economy Research Group. He is also co-editor of the Future of World Capitalism book series with Pluto Books, and the Geopolitical Economy book series with Manchester University Press He is a committee member of the Association for Heterodox Economics (www.hetecon.net) and a vice-chair of the World Association for Political Economy. He is a

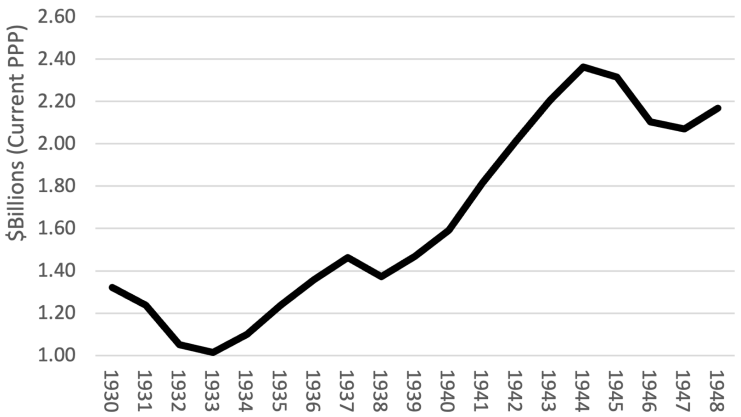

Figure 1: US wartime and peacetime GDP

Source: Maddison Data Project[4]

The 'he made me do it' argument, though regularly repurposed, currently in Gaza, isn't worth wasting paper on. Wars arise from conflicting interests, not conduct. However, the second claim is shored up by a genuine fact: since 1945 there have been no major military conflicts between the so-called Great Powers. Capitalism's supporters claim that this is because the USA destroyed the Axis Powers, knocked sense into the warlike Europeans, and ushered in a new phase of peaceful capitalist development called 'Pax Americana'.[5]

However, there is an alternative explanation: after the revolutions which created the USSR in 1917 and the People's Republic of China in 1949, US leaders became convinced that the Great Powers, their own country included, faced existential threats of revolution, military defeat, or both, unless they

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board member of Video Pool Winnipeg and the Christopher Freeman Trust, and a former board member of the Winnipeg Symphony Orchestra.

2. This is part one of two. Part two of this article, which addresses "When do Workers Go to War?" will be featured in the July Issue #009 of *Red America*.

3. Figures for wartime deaths differ widely. I sourced my casualty figures from the Encyclopedia Brittanica because it's an authoritative public resource, the editors say they have fact-checked the articles, and the authors are named. Showalter, D.E., Royde-Smith, J.G. 2025. 'World War I.' *Encyclopedia Britannica*, May 7, 2025. https://www.britannica.com/event/World-War-I/Killed-wounded-and-missing Chmielewski, K. 2024. 'casualties of World War II.' *Encyclopedia Britannica*, May 15, 2024. https://www.britannica.com/event/casualties-of-World-War-II-2231003

4. Bolt, J., R. Inklaar, H. de Jong and J. Luiten van Zanden, 2018. *The Maddison Project Database*.

5. Nye, J.S. 1990. 'The Changing Nature of World Power'. *Political Science Quarterly*, Volume 105, Issue 2, Summer 1990, pp177–192.

stopped fighting each other. These leaders then built an alliance to hold back communism while making war on the remaining four fifths of the world as aggressively as ever, in return for appointing the USA world banker and alliance bailiff.

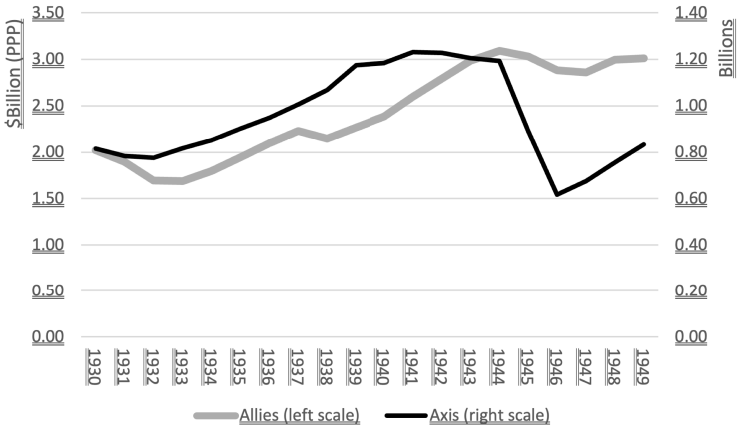

Figure 2: GDP of the major war powers

Source: Maddison Data Project[6]

The function of science is to judge theories in the light of facts, so let's start by asking if it's true that war is too costly. Actually, figure 1 shows, war is the most profitable thing a capitalist nation can do. Between the onset of war preparation in 1938 and 1944, US GDP rose at an average of 10% per year. In contrast, between the crash of 1929 and 1938, it hardly rose at all. Indeed it was arguably the war, not the New Deal, that got the USA out of the Great Depression.[7]

What is unprofitable is *defeat*, as figure 2 shows. The only mystery is why capitalists are willing to risk it. This mystery vanishes once we recognise war as just a form of competition. In competition there are winners and losers, so for the capitalists, it's just another gamble. War, therefore, is just the highest form of capitalist competition. Workers, however, don't just lose money; they lose their lives. It follows that they comprise the only force that can finally put an end to war, because they are the only class with an interest in doing so.

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6. Bolt, J., R. Inklaar, H. de Jong and J. Luiten van Zanden, 2018. *The Maddison Project Database*.

7. Freeman, A. 2022c. Theses on the warfare state: new data on the profit rate, causes of the present crisis, and Marx's Theory of Value. https://www.academia.edu/74615059/Theses_on_the_warfare_state_new_data_on_the_profit_rate_causes_of_the_present_crisis_and_Marxs_Theory_of_Value

Pax Americana and the True Cause of Peace

Another fact contradicts the Pax Americana claim; though eighty years have passed without another war between the 'Great Powers', the picture changes once we look at the rest of the world. The USA has been at war for all but fifteen years since 1776, involving 104 countries including itself, and has stationed troops in every country in the world except Lichtenstein, Bhutan and Andorra.[8] This did not stop in 1945; it got worse, with major wars in Korea, Indochina, Afghanistan, and Iraq, and countless 'minor' invasions; it has garrisons in more countries than anyone else in history.

Nor are the Europeans any better: the colonial legacy of the Spanish, French, British, Dutch, Germans, Portuguese and Belgians are bywords for barbarity, the only exceptions arising from military ineptitude, in which respect Europe is only now approaching the high bar set by Italy.

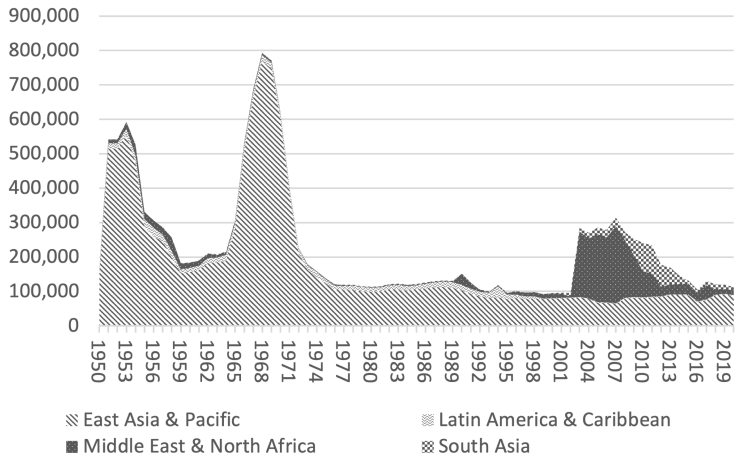

Figure 3: US troop deployments (total) abroad since 1950

Source: Allen et al. 2020. Congressional Research Service report RL30172

Finally, the Pax Americana narrative runs up against another fact: neither the postwar political system nor its world economic order is uniquely capitalist.

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8. Beuck, C. 2020. 'Only 15 Years of Peace In The History of the United States of America' https://medium.com/traveling-through-history/only-15-years-of-peace-in-the-history-of-the-united-states-of-america-c479193df79f Accessed 6 May 2025. Wikipedia contributors. 2025. 'List of wars involving the United States'. https://en.wikipedia.org/w/index.php?title=List_of_wars_involving_the_United_States&oldid=1289289382 (accessed May 8, 2025). World Population Review. 2025. https://worldpopulationreview.com/country-rankings/how-many-countries-has-the-us-invaded#the-ultimate-list-of-countries-invaded-by-the-united-states

Both arose from a compromise between the US, the UK and the USSR and China.

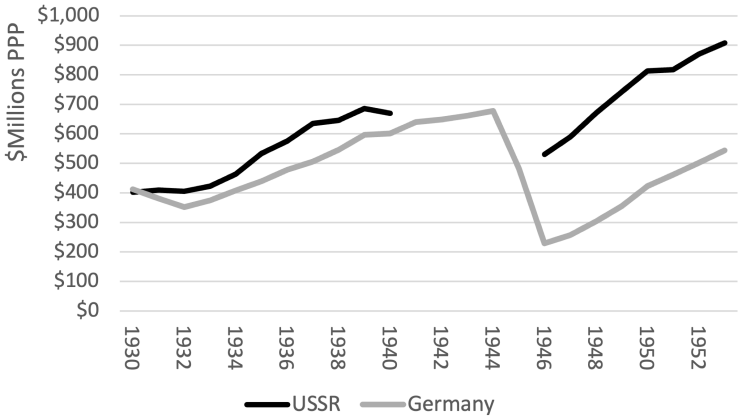

Figure 4: GDP of USSR and Germany since 1930

Source: Maddison Data Project[9]

Figure 4 illustrates the most fundamental outcome of World War 2: Germany, Europe's dominant capitalist power, was displaced not by another capitalist country but by a non-capitalist one: the USSR. This strongly reenforces my principal claim: peace arises from the effect of war on workers. When radicalised by the sacrifices war imposes on them, they become an existential threat to capitalist states. The peace of 1945 arose not from capitalism but the threat of revolution. What made the Great Powers give in to it was neither capitalism's economic achievements, nor the USA's astute world leadership, but the tremendous sacrifices of the peoples of the USSR and China.

Imperialist War: A Military Battle for the Labour of Others

For the above reasons, the term 'Class Struggle' in our title, refers to two aspects of a single unity: the competitive struggle of capitalist nations against each other, and the anti-capitalist struggle of their propertyless peoples which, in wartime, becomes a battle for survival. This multifaceted struggle takes a different form in each specific war and each specific country, but certain basic features apply in every case. Not least, workers go into battle and die while capitalists stay at home and make money. This makes war a crucible of class

9. Bolt, J., R. Inklaar, H. de Jong and J. Luiten van Zanden, 2018. *The Maddison Project Database.*

consciousness: it drives the victims to all the radical conclusions which the capitalists blame on extremists.

The mystery of capitalist war thus begins to clear once we recognise it as a form of competition. But what *is* competition? As Marx tells us, it is a struggle over the distribution of the fruits of labour. Why should this provoke war? Because the capitalists of the 'Great Powers' do not merely make profits from their own workers, but from the value produced by the workers of other nations, as explained in the theses on the Eastern Question adopted by the Third Congress of the Communist International, drafted by Indian Communist M. N. Roy:

> As a result of the War, the world finds itself divided today into two great colonial empires…The United States of America endeavours to assume supreme and exclusive **right of exploiting** and ruling the entire New World, while Great Britain has annexed to its empire practically the entire continents of Asia and Africa … [T]he **destruction of its monopolist right of exploitation** in the vast Eastern colonial empire is a vital factor in the final and successful overthrow of the capitalist order.[10]

This 1920 description of reality provides a theoretical question at the heart of deciding what to do in 2025: which nations exercise Roy's right of monopolist exploitation? As the very word 'monopolist' tells us, there are not many of them. A small group has jealously and fiercely clung, at great cost to those who dare to resist, to the exclusive right to exploit the labour of other nations.

They used to call themselves the Great Powers or sometimes the 'Civilised' nations. Their opponents once called them the colonial powers but by the turn of the 19th Century both the socialists and the once-influential anti-imperialist League, founded in 1897 to stop the US expanding into the Philippines, called them the imperialist powers. Nowadays they have nicer names: the collective West, the global North, the first world, or even the 'advanced' nations.

Because of their origin in the conquest, I call these the *Columbian* nations.[11] Together they constructed the imperialist system, concentrating power in the

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10. Roy, M. N. 1921. *Theses on the Eastern Question* https://www.marxists.org/archive/roy/1921/roy03.htm

11. Freeman, A. 2022c. Theses on the warfare state: new data on the profit rate, causes of the present crisis, and Marx's Theory of Value. https://www.academia.edu/74615059/Theses_on_the_warfare_state_new_data_on_the_profit_rate_causes_of_the_present_crisis_and_Marxs_Theory_of_Value

hands of a disintegrating club that reigns over no more than a fifth of the world's population.[12] It consists of the European heartlands, the settler colonies, the USA and Japan. Its composition has hardly changed since King Edward ruled the British Empire: South Korea and possibly Singapore have been added, one-time claimants such as Argentina have been firmly put in their third-world place, and that's it. As Russian and Chinese leaders insist this system, far from disappearing as Western intellectuals predicted, has merely mutated: in its economic essence and its disastrous human effects, it is the same.[13]

These facts are obscured in western literature,[14] which systematically ignores the underlying class relations between nations. Sadly, its ideas dominate the liberal left and far too much of the Marxist left. Take, for example, the claim that China or Russia is imperialist. When scrutinised, this amounts to little more than saying they are big, and they defend themselves from existential threats. Such Columbian narratives miss the key point: an imperialist power owes its prosperity to the labour of those living outside it. The sheer scale of this robbery explains its role in war: the average GDP of the global North, by 2000, was twenty times greater than in the rest of the world excepting China. As a consequence, imperial capitalists can squeeze 5-10 times more profit from foreign workers than from their own.[15]

Imperialist competition is thus a fight *between national capitals for a share of the labour of other nations*. The Western Left's ideological weaknesses almost all originate in denials of this fact; for example, the idea that class struggle consists only of a battle between the workers and capitalists of a single nation,

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12. Freeman, A. 2019. 'The origins of Western Hubris and the destiny of Northern exceptionalism'. Lecture at Beijing Sports University, December 2019. Accessible at https://www.academia.edu/41755158/The_origins_of_Western_Hubris_and_the_destiny_of_Northern_exceptionalism Xi, Jinping. 2021. 'Keynote speech by Chinese President Xi Jinping at opening ceremony of 8th FOCAC ministerial conference'. Accessible at http://www.focac.org/eng/gdtp/202112/t20211202_10461080.htm

13. Putin, V. 2023. Putin Blasts Western Colonization for 'Robbing the Entire Planet'. Speech to Valdai Discussion Club annual conference, October 2023. Accessible at https://www.youtube.com/watch?v=270XV0ClH0Q Halperin, S. 2018. 'Development Theory'. *Encyclopedia Britannica*, 17 Dec. 2018, https://www.britannica.com/money/development-theory. Accessed 8 May 2025 Hickel, J. 2018. *The Divide. A Brief Guide to Global Inequality and its Solutions*. London: Penguin.

14. The word 'liberal' is often bandied around as a term of abuse. In this article it has the precise meaning which Losurdo (2011, 2020) masterfully dissects: the philosophy, which forms the bedrock of modern capitalist political thinking, that identifies freedom with private property. This is also far from the way the modern right use it.

15. Freeman, A. 2023a. The Geopolitical Economy of International Inequality', *Development and Change*, Volume55, Issue 1, Pages 3-37. 23 January 2024. Accessible via https://onlinelibrary.wiley.com/doi/10.1111/dech.12812.

or the illusion, articulated by ‘Political Marxism’ that capitalism evolved, and now sustains itself in the heartlands, independently of their relation to the Third World.[16] Until and unless such weaknesses are overcome, there can be no prospect of building a left, in the Collective West, adequate to the tasks that confront it.

Not surprisingly, since its profits swamp all other, imperial capital dominated those countries which pioneered it, giving rise to specific types of state, dedicated to creating, defending and exploiting the monopolies over resources, markets, and technologies on which imperial superprofits depend. Such states compete with each other for ‘spheres of influence’: just as capitals within a single nation act as a ‘band of brothers’ to protect their share of nationally produced value while competing for a share of it, the imperialist states combine forces to protect their superprofit but battle each other for a share of it. They make war on the nations where the creators of this profit live, and on each other over the right to exploit them.

This is the cause of war.

Whilst the workers’ movement was host to seminal debates on the nature of imperialism which should on no account be ignored or discounted, the left should be wary of the theoretical disputes about the ‘true’ definition of imperialism—whether its essence is the export of capital as Lenin emphasises, or the thirst for foreign markets as Luxemburg suggests. Roy’s description transcended these; it synthesised a decade of intense discussion and was adopted by the Communist movement in one of its most significant conferences. It defines an imperialist nation as one whose primary source of profit is the lifeblood of foreign labour.

I would controversially therefore argue that it is as irresponsible to treat Lenin, Luxemburg or Bukharin as rival sources of authority for defining imperialism, and especially for branding Russia, China, or even Brazil as ‘imperialist’ or ‘sub-imperialist’.[17] Roy’s predecessors did not dispute that their nations exploited the labour of the colonial world: all they wanted to understand is how it was done. The *mechanism* of imperialism, which has evolved and constantly changed arguably since 1492, does not furnish us with a *definition.*

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16. Freeman, A. 2021. ‘Introduction to the Special Edition of Japanese Political Economy on International Inequality’. In *Japanese Political Economy*, Vol 42. Brenner, R. 1977. ‘The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism‘, *New Left Review*, I/104, July–August pp. 25–92.

17. See Bond et al. (2018_, for a presentation of the claim and Clarke 2023) for a response.

Whose labour creates the profits of Russia's, China's or Brazil's capitalists? Russian, Chinese and Brazilian workers. To the extent that Russian, Chinese and Brazilian capitalists retain political rights over the value thus created, there will be a class struggle within these nations over what happens to this value. The decision is the job of these nations, and nobody else's, least of all the military machines of the Columbian nations. Those who live off another nation's labour have no right to tell that nation how to govern itself.

A variant of the self-same problem arises from the protagonists of the Clinton-era cult of 'globalisation', who treat the world as if it were a nation and forget the role of plunder in enrichment.[18] Sadly, this includes those Western socialists who forget, ignore or indignantly deny, the source of the exorbitant profits of their capitalists: this leads to the racist conclusion that their lifestyle is due to the historically advanced state of their civilization.

These problems are most evident in the politics of the Columbian nations, which we will study at greater length in part two of this article. The relative well-being of the peoples of the West has combined with a century of miseducation to create an ideology that dominate self-proclaimed 'left' or liberal mass parties. These betray their heritage by mobilising their supporters to kill workers in other lands instead of fighting the oppression that their governments inflict on these workers.[19]

To overcome this miseducation, history is more useful than doctrine. Though the essence of imperialism remains, it has evolved different *forms* of imperialist superprofit and created different states, corresponding to these forms, to extract it. The first and crudest such form was the direct exploitation of labor in conquered lands. Starting with Columbus's enslavement and extermination of the Taino people, this culminated in the Silver Mines of Potosí, which financed the rise of European capitalism.[20] By 1600 the fourth largest city in Christendom, Potosí employed at its height 160,000 people—one quarter the working class of Europe—who were simply captured and worked to death.

Such direct semi-slavery, restricted to literally digging money out of the ground, financed the launch of capitalism. However, its Spanish and Portuguese

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18. Desai, R. 2013. *Geopolitical Economy: After US Hegemony, Globalization and Empire*. London: Pluto Press.

19. Freeman, A. 2022b. 'Capital acts globally, so should the world's peoples?' Valdai Discussion Club Paper. https://valdaiclub.com/a/highlights/world-capital-acts-globally-so-should-the-peoples/

20. NativePhilanthropy. 2025. 'Columbus enslaves the Arawak and commits genocide'. https://nativephilanthropy.candid.org/events/columbus-enslaves-the-arawak-and-commits-genocide/

pioneers lost out to those nations that organized their colonies to supply not just money but the whole range of primary goods on which capitalist industry, and society, depended—of which cotton, on which the Industrial Revolution depended from the get-go, was as central to Manchester as it was to the Antebellum South, and as Marx noted in his writings on the US Civil War, created a completely symbiotic relation between the two.

This form of extraction was pioneered by the Dutch, the French, and above all the British in India where it reached its most complete form. The claim that it laid the foundations of industrialization in otherwise backward lands is a complete myth.[21] India was *deindustrialized* by the British[22] who reduced it to the classical colonial status of a provider of raw materials and primary products:

> In 1750, China and India together accounted for almost 57 percent of world manufacturing output, while India itself accounted for almost a quarter. By 1800, India's world share had already eroded to less than a fifth, by 1860 to less than a tenth, and by 1880 to less than 3 percent.[23]

The British Raj perfected a new system: the direct management of production to service the needs of the occupier. Shorn of the right to create its own industry and feed its own people, the colonial state exported raw materials to British industry and foodstuffs for its labour force.

This became the model for all the Great Powers except the USA, which pioneered, in Latin America, the still more superior model of economic colonialism. This model delegated formal rule to independent governments such as the 'Banana Republics' of Central America but tyrannized them into acting as simple agents of the capitalists of the colonial power.

The economic power which the USA acquired, by financing two world wars, allowed it to coerce its European rivals into conceding formal independence to movements of liberation pushed forward by the Russian and then the Chinese revolution. This was a huge advance for the peoples of these oppressed nations, but the battle was not over. Essentially, colonial liberation took two paths.

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21. Warren, B. 1980. *Imperialism: Pioneer of Capitalism.* London: Verso.

22. Bagchi, A. 1976. 'Deindustrialization in India in the Nineteenth Century: Some Theoretical Implications'. *Journal of Development Studies* 12 (October): 135-64.

23. Clingingsmith, D. and J. G. Williamson. n.d. 'India's Deindustrialization in the 18th and 19th Centuries'. London School of Economics

Those nations which took the communist road created a secure basis to recover their economic sovereignty; those which did not, to varying degrees, exchanged political freedom for economic slavery.

Political colonialism then mutated into economic colonialism or neocolonialism as it was described by its opponents. The great confusion this created arose because superprofit was no longer extracted by the direct political colonisers, but by through the world market, as organised by the Columbian nations under US leadership. The mechanism is straightforward: trade does not equalise but creates winners and losers.[24] The winners are those with the highest productivity, who in one hour can produce what takes twenty hours in their former colonies. Productivity differentials do not even out, contrary to a mass of apologetic literature.[25] The Columbian nations invest their surplus profits in research and military suppression, to maintain a permanent monopoly of ever-more advanced technology.

The world market thus does the exact opposite of what the apostles of Clinton-style 'free trade' claim. Actually, it is anything but free; it is not a vehicle for distributing the fruits of world labour equitably, but a sophisticated system for preventing the poorer nations using their states to protect their economies.

The Columbian World Order

For all the above reasons, I describe the ideology of this system as 'Columbianism'; this better describes what used to be called 'Eurocentrism'. It cements the alliance of the USA, Western Europe, Japan, South Korea and the settler colonies who, forced by the risk of Communism to give up trying to destroy each other, were coerced by their financier-bailiff into cooperating to suppress the economic sovereignty of the global South, but compete by other means for the superprofits produced by its workers and poor peasants.

This system is now decomposing from its own internal weakness.[26] This is welcome, but it also has its dangers, generating rogue militarism and ever more

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24. Amin. S. 1976. *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism*. Monthly Review Press

25. Chang, Ha-Joon. 2002. *Kicking Away the Ladder*. 1st edition. London: Anthem Press.

26. Freeman, A. 2023b. 'The sixty-year downward trend of economic growth in the industrialised countries of the world'. *The Japanese Political Economy* special issue on Japan's Secular Stagnation and Beyond (Vol. 47-4, 2021).

frenzied attacks on workers, as the imperialist powers strive to make up for what they have lost as economic domination slips from their grasp. It also generates confusion as the ‘common-sense’ ideas of Columbian ideology lose their connection with reality. So-called ‘left’ parties are the most rabidly warlike while new right-wing forces present uncharacteristic challenges to the military aspirations of the Columbian nations, unfortunately more often than not as precursors to prostration before imperialist masters they briefly defied.

The confusion arises because national states both mediate between classes, and act as instruments of the class that dominates them. We must therefore ask how the economic circumstances of classes drive their political behaviour. Much is written about this but unfortunately not all of it is useful; as a shortcut, I offer the loose idea of the ‘genetic disposition’ of a class, by which I mean those ways of behaving that are passed from generation to generation as a result of the way its members are driven to live, that is, by the way they get their livelihood.

Thus, the capitalist class is competitive by virtue of the way it perpetuates itself. An individual capitalist may be a great philanthropist, but his kind will die out, because to the extent that he deploys his capital for the good of his fellows, it will not last beyond him. His class evolves, but its evolution is conditioned by the survival of the profitable. This creates a kind of mental built environment for prospective class members. Capitalists create families to perpetuate their wealth. They raise children to respect what they do; they pay intellectuals to preach their virtues, hire politicians to promote their interests, build well-feathered foundations to hire and corrupt their black sheep, set caste-like standards of behaviour and ‘culture’ to entice, stratify and discipline their flock, and create ‘bodies of armed men’ to impose their needs. They spit out dissenters with disdain for both reason and morals; when these become dangerous, they imprison them, torture them, and kill them, adding fear to the mental armoury of their kind.

In contrast, solidarity is the single most essential requirement for workers to overcome the condition in which capital constantly seeks to use them, of functioning as a collection of isolated individuals. Instincts such as mutual support and self-sacrifice arise from their conditions of life. Even to function as labour, they must cooperate, because production is inherently co-operative. Nor is production the only ‘school’ of cooperation; the need to work together arises from the very nature of wage labour. Employers take no responsibility for employees; they take them as they find them. Labour can only perpetuate itself by combining.

This struggle for survival takes contradictory forms which capital exploits to set worker against worker. Ties of family, language, and social status conflict with those of work and dwelling place. The most successful working class movements overcome these divisions by uniting their diverse members for a common political purpose. This purpose is passed on to everyone whose struggles workers support, whether wage labourers or not. The achievements of the popular alliances created in this way are passed from generation to generation. This becomes the mental built environment of the propertyless.

However, in contrast with the capitalists, working class consciousness is fragile and does not reproduce itself automatically; it is transmitted from generation to generation by ties of family, community, workplace struggle, but above all by political institutions, especially parties. When this continuity is broken, as by imperialism or Nazism, past lessons must be relearned; this calls for a work of historical recovery, in which 'organic intellectuals' play a vital role. All the above is speculative; I don't offer it as a grand narrative; it's the way I try, for my own purposes, to make sense of war. Maybe a reader or two can make something more rigorous out of it.

War accelerates all these processes. It drives home the most basic lesson of capitalism, which is that the capitalists have no interest even in the existence of their soldiers, let alone their welfare: they are simply expendable cannon-fodder. Workers in contrast can only defend their own interests by combining to fight for them. This is what makes war the crucible of revolution.

The Political Economy of the Warfare State

The imperialist nation-state has to organise both classes to achieve military superiority; to do that, it must overcome their genetic nature. It must make its capitalists work together inside the nation, and make its workers kill their natural allies outside it. To the extent that it succeeds, this has an enormous effect on production, which is the immediate source of the profitability of war. One chart alone, figure 5, makes this clear.

Source: Bureau of Economic Affairs: Freeman 2023c[27]

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27. Freeman, A. 2022c. Theses on the warfare state: new data on the profit rate, causes of the present crisis, and Marx's Theory of Value. https://www.academia.edu/74615059/Theses_on_the_warfare_state_new_data_on_the_profit_rate_causes_of_the_present_crisis_and_Marxs_Theory_of_Value

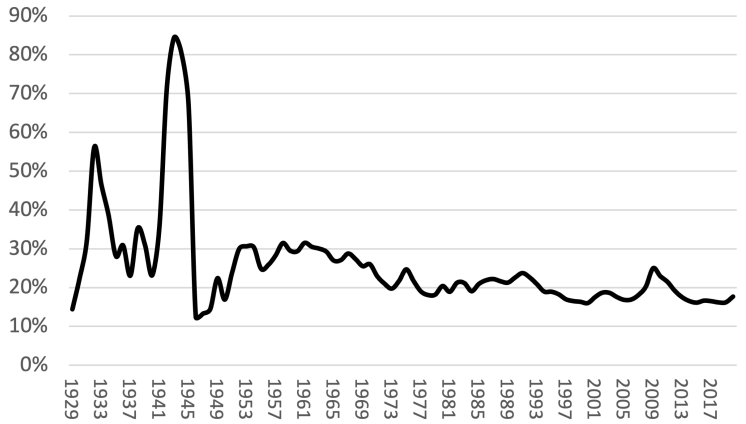

Figure 5: US share of public investment in total investment

The efficiency of fascist planning is well-known. Less well-known is that in World War II, US production was converted into a planned system managed by capitalists. Public investment rose to 85% of the total. The unused productive capacity which characterises capitalism in its normal state[28] was sucked into production. Soviet economics, imported via the input-output calculus of Wassily Leontieff, computed production targets with efficiency that put Hayek to shame even as he polished off his proof that this could not be done; capitalists who refused to cooperate were carted out of their offices by the FBI. In the UK, a mini-coup following Chamberlain's ouster led to a mass influx of Keynesians and Marxists into the state planning apparatus, whilst wartime regulations both brought workers into the direct management of production.

Wartime regulations put an end to labour disputes: in the UK there was only one strike throughout the war. In the USA Roosevelt sent in the army against strikes whilst in Germany, of course, labour unionism was destroyed.[29] Thus, in wars between the Great Powers, the national class struggle was suppressed, persuading the capitalists to suspend opposition to measures they regarded as socialistic, having been reassured that their workers could or would not take advantage. With the war over, witch-hunts and fierce anti-labour legislation put this genie back in the bottle, and the reinvigorated productive apparatus was handed back to the capitalists at rock-bottom prices, reversing the long decline

28. The Federal Reserve of St Louis (2025) produces an index of capacity utilization—the proportion of invested capital that is actually being used to produce things. It gives a pretty good indication of how the economy is doing. Until the early 1970s this stood at 80-90%. In each recession it got worse, and now sits only just above 75%

29. Willig, Kimberly. 1942. 'US military steps in to halt strikes'. https://blogs.shu.edu/ww2-0/1942/08/25/us-military-steps-in-to-halt-strikes/

in the profit rate that produced the Great Depression and threatened them with economic extinction and launching a ‘long boom’ which lasted until the ‘Second Slump’ of 1974.[30]

Thus, far from demonstrating the great prowess of capitalism, imperialist war temporarily converts capitalism it into its opposite. It overrules the natural behaviour of the nation’s classes, uniting the capitalists around a single ‘national’ project, and it suppresses the antiwar instincts of the working class. The way this is done depends on the history and culture of the nation concerned; however, this is only a question of mechanism.

Whatever the mechanism, the process is costly. Only when, and if, it can marshal sufficient resources to stave off an outright revolt, can an imperialist state ward off the threat of revolution. This threat is no smaller when, as in the struggle against Nazi Germany, the workers are fighting for the very existence of their class. Indeed as we shall see, it is if anything even greater, each such state therefore fights a lone battle on three fronts: to defend its shrinking grasp of imperial superprofit; to defend itself against the other imperialists; and to hold off, corrupt, and divide, its own working class.

The chain, as Lenin noted, breaks at its weakest link, the most immediate threat being colonial revolt as Ireland, India, Africa, China, Korea and Vietnam each demonstrated in their time. It is a permanent source of instability even in the absence of direct occupation, punctuating political life outside the fortresses behind which the imperialists shelter with uprisings and military interventions. Yet as the Portuguese revolution of 1974 demonstrates, an imperialist power that goes too far places itself at the mercy of its own workers.

In the economically subordinate nations, where workers, usually in alliance with the poor peasantry, are fighting the double burden of their own capitalists and their imperialist masters, the dialectic of national and class struggle therefore is different and more positive. The greater the weight of the working class in the struggle against national oppression, the greater its willingness to fight; conversely the greater the weight of its capitalists in the state, the less resolute the nation. This dialectic carries over into post-colonial states: the greater the weight of the working class in the state, the greater the economic

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30. Burton, K. 2025 ‘Episode 5–Strike Wave’. The National WWII Museum, New Orleans. https://www.nationalww2museum.org/war/podcasts/best-my-ability-podcast/season-2-archive/episode-5-strike-wave. Accessed 8 May 2025. Mandel, E. 1978. *The Second Slump.* London: Verso

power at its disposal; conversely, the more the state advances the interests of the nation's workers, the greater their weight becomes.

3

The Import Substitution Model (ISM): Lessons from the Mexican Miracle for the 21st Century

Dr. Oscar David Rojas Silva[1]

1. Introduction

Economic history is not merely an activity of reviewing documents from the past, as if it were limited only to *reconstructing* events along a timeline. In reality, it represents a *perspective of study* that allows us to observe the history of our species' evolution through the so-called modes of production and how they leave behind a trail of lessons and insights that help us understand the long-term trajectory and guide our contemporary practice.

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This is fundamental for economic science because the social processes of the human species are *metabolisms* whose development cycle exceeds the average lifespan of a generation, which is why their *totality* can only be understood if their determinants, laws of interconnectivity, and effects are revealed in theoretical form.[2]

Hence, the analysis of the period known as the Import Substitution Model (ISM) as an industrialization strategy, from 1939 to 1970, offers us a solid analytical foundation to identify in that experience: a) the actions of the State through a range of economic policies and their combinations to produce specific effects, b) the global geoeconomic conditions that determine the possibilities for structural change, and c) the lessons and insights that are necessary for the present moment—now nearing the end of the first quarter of the 21st century—in which State intervention is making a comeback, and with it, in particular, *industrialization policy*.

For the purposes of this introduction, I propose the general context in which the Import Substitution Model (ISM) emerges—not only as a period but considering that this policy model takes place within a Nation-State, while simultaneously being shaped by the Global Economic State (GES), a concept that represents the international financial architecture and the supranational bodies that have the power to determine policies in subordinate countries.[3] In other words, countries exist within hegemonic power relations, which act as chains of force transmitted through the interaction or competition among capital (transnational corporations). They are under the general dominance of a hegemonic country that also controls the global monetary standard monopolized by the dollar, which means that access to credit is monopolized, thereby determining the international financial architecture that constrains the

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2. Theoretical evolution always responds to certain paradigms that define it. During the analyzed period of import substitution, there was consensus on the necessity of state intervention; during neoliberalism, the paradigm was replaced by the notion of a self-regulated market with state assistance only for minimal functions. However, as we move further into the 21st century, we observe the return of the paradigm of the state as the main agent, planner, and programmer. Therefore, the epistemological critique represents the need to highlight not only the change in discourse but also the recovery of other logical connections that support new practices. To delve deeper into this discussion, see: G. Guillaumin, *Historia y estructura de La estructura: origen del pensamiento histórico de Thomas Kuhn*. (Mexico City: Universidad Autónoma Metropolitana, 2012).

3. To explore this concept further, see: O. Rojas, "The Dialectic of the State Form in the Post-capitalist Crisis and Transition," *Midwestern Marx Institute*, 2024, https://www.midwesternmarx.com/articles/the-dialectic-of-the-state-form-in-the-post-capitalist-crisis-and-transition-by-dr-oscar-d-rojas-silva.

actions of Nation-States within the GES. Without this context, the national period cannot be understood. [4]

The GES is a way of categorizing what Marx traditionally referred to as the World Market (WM). It refers to the historical formation of a *global unit* produced by the relentless process of capital accumulation. From the Marxist perspective, the concept of capitalist profit appears as an inexorable compulsion to continuously increase accumulation, with a tendency toward *concentration and centralization* in a minority class that begins to struggle for control of markets during a cycle of industrial rise in the second half of the 19th century, ultimately leading to military conflagration. It took two periods of world war (1914–1918 and 1939–1945), not to mention the Great Depression of 1929, for the United States to emerge—through the Bretton Woods agreements—as the dominant hegemonic power. It is no minor detail that the ISM coincides with the rise of U.S.-led capitalism.

The new hegemonic power, based in the United States of America (USA), initiated an expansion of the world market that generated a kind of *hegemonic dividend*—also driven by the necessary post-war reconstruction spending—which boosted global demand and allowed countries like Mexico to be in a position to expand their productive base. This, of course, was a necessary but not sufficient condition.

On the other hand, Mexico began the 20th century on its own path with a social revolution aimed at overcoming the old colonial structures of the previous global period—most clearly represented by the Primary Export Model (PEM). The maturation of the Mexican social state under Lázaro Cárdenas materially provided, through the oil expropriation and agrarian reform, the conditions needed to initiate a future process of industrialization. The Mexican state reached economic maturity by building its institutional strength to direct economic policy within its territory. This laid the foundation for what would later be known, from 1939 to 1970, as the "Mexican Miracle."

Three unprecedented decades began—unmatched by any other phase—in which the Mexican economy underwent a rapid process of industrialization, with an average annual growth rate above 6%. The specific strategy pursued by the Mexican state was the *import substitution* strategy as a path to achieving industrialization. What was the secret of that model? Why, if Mexico once

4. Oscar Ugarteche, *Arquitectura financiera internacional: una genealogía (1850–2015)*. (Madrid: Akal Editores, 2018).

reached such growth rates, is it now structurally below 2%? How was it possible that during the neoliberal era (1982–2018), the country proceeded to auction off the assets built under the previous model through privatizations? Why is it that today, terms once considered obsolete—like "planning"—are making a comeback? In fact, the term "import substitution" appears officially in the so-called *Plan México*, through which the current government of President Claudia Sheinbaum Pardo is advancing its development plan[5].

Nevertheless, some of the lessons from the ISM are painful. The Mexican economy—like all Latin American economies—faced structural limitations that prevented the deepening of the proposed industrialization process. A series of internal and external constraints were revealed, which ultimately led us into the neoliberal model, or the model of external sector specialization, resulting in a deepening of the systemic crisis of our economy. Is it possible to break through these limitations? What has changed from then to now?

In the development of the GES, as I write this introduction in the first quarter of the 21st century, there is a significant geopolitical reconfiguration taking place, with the United States undergoing a process of hegemonic decline in the face of China's rise. If we trace a long-term cycle beginning in 1944 with the Bretton Woods agreements and ending with the *subprime* crisis in 2008, we can state that the classic ISM occurred during the ascending phase of U.S. hegemonic power. In contrast, if a similar model were to take shape today, it would be unfolding in the context of the civilizational crisis of the United States as a hegemonic power. Thus, the hegemonic cycle is of central importance for drawing historical lessons relevant to the immediate future.

2. The Mexican Miracle: From a Colonial Economy to Semi-Industrialization.

The so-called Mexican Miracle refers to the explosive dynamism of our economy following the outbreak of World War II, with an average GDP growth rate exceeding 6% (to be verified), which, in hindsight, stands in sharp contrast

5. Plan México is an initiative that emerged during the administration of Andrés Manuel López Obrador, highlighting the systemic loss of participation by the North American bloc in comparison to the Asian bloc. This situation calls for a new process of import substitution to reverse the trend. The plan is formalized by President Claudia Sheinbaum as the medium- and long-term roadmap for continuing the construction of basic infrastructure for industrial production.

to the diminished 2% during the subsequent neoliberal model. The Mexican state decisively established itself as an intervening agent, both directly through investments in infrastructure and strategic sectors, and indirectly through the use of *economic policy*—particularly a combination of industrial promotion and tariff *protectionism* to contain external competitive forces in favor of national development. [6]

From my point of view, the heroic character attributed to this period stems from the contrast with our country's difficult economic history since the 16th century, under the framework of an extractive encomienda model, which culminated during the Porfiriato with a modern form serving the first wave of European industrialization in the 19th century. [7] Thus, the Mexican Revolution signifies, among many other things, the formation of a politically sovereign nation-state with the aspiration of achieving economic sovereignty. As Moreno-Brid & Ros point out:

> *In the process of achieving its hegemony, the Mexican state became convinced that it had to play an active role in investment and production if Mexico wanted to develop. By the late 1930s, it controlled fundamental resources and had significantly increased the number of economic policy instruments. But it remained to be seen whether it would succeed in turning the economic recovery of the late 1930s into a sustained growth momentum.*[8]

Considering this historical trajectory that runs from the outbreak of the Mexican Revolution in 1910 to 1937 and 1938—the years in which the Federal Electricity Commission (CFE) was founded and control of oil was achieved, respectively—both essential elements for taking the next step toward industrialization, this period also represents the struggle to consolidate the *Mexican state* with effective capacity to intervene through public institutions capable of making strategic combinations between fiscal policy and monetary policy to influence the economic process. It should be noted that it was during this period, in 1925, that the Bank of Mexico was established.

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6. R. Villareal, *El desequilibrio externo en la industrialización de México (1929–1975): un enfoque estructuralista* (Mexico City: Fondo de Cultura Económica, 1976).

7. A. Aguilar, *Dialéctica de la economía mexicana*. (Mexico City: Editorial Nuestro Tiempo, 1980).

8. Moreno-Brid, J., and J. Ros. *Desarrollo y crecimiento en la economía mexicana: una perspectiva histórica* (Mexico City: Fondo de Cultura Económica, 2010), 132.

That is to say, the ISM is not limited to developmentalism but also reflects the building of institutional frameworks as a consequence of the revolution—essential elements facing the eventual formation of the new world market based on competition among joint-stock companies at a transnational scale. Therefore, it was necessary to have instruments to manage these large flows of capital, without losing sight that this is the exercise of economic policy with social purposes.[9]

In general, I consider that the ISM can be interpreted as a *continuation* of the revolutionary process. The *substitution model* is often read as a story of failure derived from state *inefficiency*. This period has been viewed by the neoliberal paradigm as a symbol of the state's failure, but in reality, from a contemporary perspective in which the state paradigm is making a comeback, it can be read as a success story in which the Mexican Revolution gave birth to a *Social State* with hegemonic capacity to intervene in the economic territory and autonomy over trade policies to actively protect Mexican enterprises. In other words, the State managed to induce transformations in its own general conditions of production. Moreno-Brid & Rosclearly sum up the nature of that miracle:

> *However, it did not take long for a full transformation in the economy and society to begin. Over the next thirty years, Mexico's economy grew at a sustained annual rate of 6.4% in real terms, and the per capita gross domestic product grew by 3.2%. The manufacturing sector was the engine of growth, with an annual production increase rate of 8.2%, and for most of the period, the dynamism of the domestic market was its greatest source of demand. The country transformed from an agrarian society to an urban, semi-industrial one. The proportion of the population living in urban areas grew from 35% to 58%, while the total population increased from 20 to 48 million, and the share of manufacturing production rose from 15% to 23.3%.*[10]

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9. In this regard, Carlos Tello (1980) explains: "The political and social transformation of Mexico following the Revolution of 1910, along with the sustained economic growth beginning in 1935, supported the favorable opinion that foreign investors and bankers had of the country—especially when that growth was combined with monetary and price stability after 1956. These factors gave strong backing to the reasoned optimism and confidence that national capital held in Mexico's development prospects." C. Tello, *La política económica en México: 1970-1976.* (Mexico City: Siglo XXI editores, 1980), 11

10. J. Moreno-Brid, J. Ros, *Desarrollo y crecimiento en la economía mexicana: una perspectiva histórica*. (Mexico City: Fondo de Cultura Económica, 2010), 132.

Nevertheless, despite the successes in implementing the ISM, it was unable to resolve the chronic imbalances of the national economy—as we will see later. Structural signs of our condition as a dependent country soon became evident, which led us into neoliberalism, a period of widespread crisis starting in the 1980s, especially marked by the 1982 crisis and, later, the December error of 1994.

Even so, in contemporary times, this history becomes a source of experience to deeply understand the diagnosis of Mexico's chronic industrialization failure and the essential points that need to be addressed in order to trigger a new cycle of industrialization. I emphasize that the historical recovery of this phase is important for recognizing the *potential* for likely industrial growth today. Is a Mexican Miracle 2.0 possible?

To answer this question, it is necessary to formalize the core elements that make up the import substitution strategy. Next, we will focus on delving deeper into this historical experience.

3. The Mechanism of State Intervention and the ISI Strategy

So far, we have outlined the global and systemic context in which the ISM unfolds. We have especially highlighted the importance of this period due to the contemporary novelty marked by the return of the *state* paradigm as the global planner of the national economy. We refer specifically to the relevance of a new type of National Development Plan (2019–2024 and 2024–2030), in contrast to those aligned with the so-called Washington Consensus. Furthermore, political continuity has brought to the table the possibility of maturing a new model that openly calls for industrialization. In addition to the six-year plan, there is an additional medium- and long-term plan that sets the general reference framework, called *Plan México*. It is within this context that it becomes necessary to return to the fundamentals of what we mean by state intervention through planning.

According to Cibotti & Sierra, planning can be understood through the division of state *intervention forms* into *regulatory actions* and *direct productive actions*.[11] The state has an administrative apparatus that allows it to exercise

11. R. Cibotti, E. Sierra, *El sector público en la planificación del desarrollo*. (Mexico City: Siglo XXI Editores, 2005).

general guidelines through economic policy, but it also participates directly in investment activities and direct operations through public enterprises. The scope of action ranges from the production of consumer goods and services to capital installation for accumulation activities. Additionally, a fundamental element that completes this framework lies in actions aimed at establishing specific levels of financing for the economic activity as a whole.

Once we have established what we mean by state intervention, let us now focus specifically on the period from 1939 to 1970, during which a comprehensive strategy was developed that combined different levels of action to achieve the process of industrialization through import substitution (IS) in certain economic sectors. Let's take a closer look at what this entailed.

According to René Villareal, who developed the following formalization that we present here, the concept of import substitution is expressed when the share of imports in the total supply systematically decreases.[12] The relevance of these formulas lies in the ability to specifically measure the progress of substitution across different sectors.

The level of import substitution (IS) at a given time m_i^1 is defined as:

$$beginequationm_i^1 = \frac{M_i^1}{M_i^1+Q_i^1} = \frac{M_i^1}{S_i^1}$$

End{equation} Where:

M_i = *Imports of a good in the industry* i
Q_i = *Gross domestic product in industry* i
S_i = *Total supply of the industry's product* i

So, if we consider the difference between two periods, we have:

Δm_i = m_i^1 - m_i^2 *(I)*

12. Villareal, *El desequilibrio externo en la industrialización de México*, 53.

So yes, $\Delta m_i = x > 0$, then it means that there has been a substitution process in the industry i.

The general trajectory of this process is to cover by levels, first those branches dedicated to consumer goods and then advance to intermediate and capital goods. Exemplifying the above with data for the first phase of the MSI, following Villareal: "For the consumer goods sector in the 40s (1939-1950), the share of imports in the total supply decreased by 69.0% (the SI index m_i^1 decreased from 0.22 in 1939 to 0.069 in 1950), and by 26% and 18% in intermediate and capital goods respectively."[13]

This process of substitution involves, of course, a combination of trade policy, monetary policy, and fiscal policy, all framed within industrial policy. In other words, the ISI model—unlike the neoliberal one—implies a conscious and planned action by the state through a combination of policies that follow a specific sequence based on the various levels necessary to achieve the structural objective. That is to say, it is not about policies in general, but about policies that are always tailored to particular conditions at sequential moments. From this perspective, industrial policy is not the abstract application of principles, but rather the concrete programming aligned with the necessary sequence to materialize its objectives.

4. The Two Phases of ISI and the Limits of the Model

The notion of sequence is relevant when studying ISI (Import Substitution Industrialization) because its *development process* can be broken down into phases, each with distinct objectives according to their specific needs and the needs of the context—in other words, the short and long term coexist in the present moment. This reconfiguration of temporality enables the need for state planning. In the case of ISI, we can identify two stages: the first is commonly referred to as the growth-centered phase under the process of *devaluation-inflation*, which spans from 1939 to 1958, while the second phase is known as the stabilization period, which runs from 1959 to 1970.

At this point, it is important to remember that the planning process is not only about *quantitatively* "adding" more industrial sectors, or even increasing the degree of specific substitution; rather, a new level of industrialization implies a

13. Villareal, *El desequilibrio externo en la industrialización de México*, 53.

reorganization of the structural design and involves new levels of supply and demand flows between the *domestic market* and the *external sector*. It is a process of a *qualitative leap* to a new equilibrium. From this perspective, sequences are therefore necessary in order to carry out the phases of transformation and *stabilize them* for continuous functioning at the new level.

It is important to note that this decision to intervene in an economy takes place within the framework of the capitalist system of production—that is, under a geopolitical condition in which international relations are not based on coordination but on domination. Therefore, it is not only a matter of having appropriate policies, but also of whether the *hegemonic balance of power* allows for gaining ground in the ongoing struggle for control of global capital.

In other words, planning must take into account this vector of opposition between the Nation-State and the Global Economic State (GES), which means there are structural forces that subject a country to bottlenecks resulting from the disparities between an industrialized or colonizing country (with strong markets and resources) and a non-industrialized country shaped by a history of colonialism and dependency (with internally disconnected, enclave-like markets). For this reason, the sequence becomes a strategy for building the necessary economic institutions in the process, and thus a *programming* of the sequence must be developed.[14]

In the first phase of ISI, the state had to build the nonexistent economic infrastructure (public works) through a fiscal policy focused on public spending for capital formation. This was financed not through revenue (taxes), but through *primary money issuance*—that is, financing by the Central Bank. As a result, a certain level of inflation was accepted in order to enable the construction of basic infrastructure. This approach contrasts with the traditional view in which inflation is undesirable at all times; in fact, as the ISI experience shows, it was part of the short-term strategy. A clear sign of this is that inflation was brought under control in the following stage without halting the growth rate. The sequence was successful.

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14. As Guillén points out: "In other words, the solution to the external bottleneck depended on modifying the productive system through industrialization and the creation of an endogenous base of accumulation. This task could not unfold spontaneously through the market, but rather through planned action by the State." Guillén, A. "La teoría estructuralista del desarrollo en América Latina: aportes y enseñanzas." In *Trayectorias y encrucijadas de las teorías del desarrollo en América Latina*, edited by A. Guillén et al., (Mexico City: Fondo de Cultura Económica, 2024), 159.

The problem arises in the area of *external imbalance*—that is, the current account balance—which, for example, went from a deficit of 22.4 million dollars in 1939 to 280 million in 1958, a deficit that grew at an average accelerated rate of 14.2% during the period. In this situation, the primary tool is *devaluation*, which reverses the current account flow to activate forces that curb imports and expand exports.[15] The issue is that if this measure fails to produce results—as was the case during the ISI—then its final limit is reached, and the problem becomes structural. As a result, the country must resort to financing the balance of payments deficit through the use of foreign capital, represented by foreign investment and external loans. This is why Villareal states:

> *Undoubtedly, devaluations and increasing public spending financed through primary money issuance largely explain the inflation during this period. On the other hand, the continuous and persistent external imbalance is explained by the first stage of ISI that the Mexican economy was undergoing during that period (1939–58), in which the imbalance was determined more by structural factors than by an inadequate combination of trade, fiscal, and monetary policies.*[16]

It is from this "structural" perspective, in fact, that the view emerges which critically examines the economic backgrounds of countries like those in Latin America—countries shaped by a previous model, generally referred to as the primary-export model, but more fundamentally by historical social relations of exploitation and segmentation. As a result, the state becomes the only viable actor capable of consciously intervening through the active promotion of industrialization.

The essential factor for this is maintaining high investment rates, although in this regard, Guillén warns: "that alternative would require national autonomy, which became increasingly difficult due to the growing presence of transnational corporations."[17] Therefore, the limits of ISI are closely tied to structural dependency relationships with an industrial center. In fact, from the structuralist perspective, inflation is seen as "an element of the struggle among different social classes over income distribution," reflecting a broader view

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15. Villareal, *El desequilibrio externo en la industrialización de México*, 69.
16. Villareal, *El desequilibrio externo en la industrialización de México*, 69.
17. A. Guillén, "La teoría estructuralista del desarrollo en América Latina: aportes y enseñanzas." In *Trayectorias y encrucijadas de las teorías del desarrollo en América Latina*, ed. A. Guillén et al. (Mexico City: Fondo de Cultura Económica, 2024), 168

rooted in coloniality, in which the global order necessitates the reproduction of *underdevelopment* conditions in certain countries to enable the accumulation of capital in the core economies.[18] The result was a disparity between the capacity of exports and the development of the domestic market, leading to systemic stagnation.

What Latin American countries witnessed was a historic intersection between this attempt at industrialization and the simultaneous rise of U.S. imperialism, which advanced through the forceful export of capital—alongside, of course, the political and military interventionist policies that shaped and repressed social protest in order to impose external control over the development process as part of a global system. In this context, ISI offers an opportunity to reflect on the shift in circumstances that followed the period from 1982 to 2018, during which the dismantling of public assets began in order to specialize in the reception of foreign direct investment and the systemic placement of debt under the dominance of transnational capital. From this lesson, we can describe ISI as a model which, under conditions of subalternity, was ultimately condemned to growth with underdevelopment.

5. Conclusion

The Import Substitution Industrialization (ISI) model, implemented in Mexico between 1939 and 1970, marked an era of remarkable economic growth, with annual rates exceeding 6%, driven by a state that sought sovereignty in the face of the dominance of the Global Economic State (GES). However, its dependence on foreign capital and the chronic external imbalance—due to its dependent condition vis-à-vis U.S. imperialism, represented by foreign investment—revealed the impossibility of achieving equilibrium in the ISI during the second stage, that is, through the consolidation of the domestic market to sustain the advanced substitution phase (intermediate and capital goods). This limit worsened during neoliberalism (1982–2018), when the process even began to reverse through the sale of public assets—assets precisely attained during the ISI—sacrificing the productive base for a subordinate integration into the global market by converting industrial policy into monetary stabilization economic policy serving the dominance of financial capital.

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18. Guillén, "La teoría estructuralista del desarrollo en América Latina, 162. A. Quijano, *Ensayos en torno a la colonialidad de poder* (Buenos Aires: Ediciones del Signo, 2019).

The development of neoliberalism as the dismantling of ISI led to a worsening of the conditions for workers and subjected the country to low growth rates that reflect the chronic stagnation of the period. This gave rise to a political change that, through democratic means, opted for a process of reindustrialization and wealth redistribution. Today, Claudia Sheinbaum's Plan México represents a projection of recovering the domestic market through the construction of basic infrastructure and the pursuit of coordination with both national and international actors to promote an increase in the investment rate.

Could a "Mexican Miracle 2.0" emerge? Yes—if the reflection centers on addressing the structural failures that require, as a prerequisite for success, building an industrial dynamic within the domestic market and achieving balance in our productive and commercial connections abroad, all within a context of geopolitical transition.

This circumstance demands an epistemological shift in economic science. The paradigm of the self-regulating market and the separation of economic studies from their state foundation and relations of domination cannot continue if we truly want to uncover the conditions of the present challenge. The central point is that the hegemonic history of the U.S. today is in a deep crisis; in fact, we can describe it as the decline of its dominance, which means that the conditions are radically different from those that interrupted the first industrialization process of the 20th century.

From this perspective, we can state that ISI was not a failure, but rather an experiment that challenges us to boldly rethink future development—with an objective recognition of the historical opportunity and a determined effort to broaden public discussion about the combined use of economic policies in new sequences to address the chronic problems of our economy.

4

An Ode to Norman Bethune: Communist Heroism, Political Becoming, and the Spirit of Proletarian Internationalism

R.D. Johnston[1]

Introduction

In the annals of proletarian history, certain lives echo far beyond the moment of their death. Their names do not merely belong to the past; they function as

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1. R.D. Johnston is a Canadian doctoral student in pediatrics, who holds an MSc in epidemiology and an MA in education. He has experience working in numerous hospital and school contexts, as well as lecturing in university seminars. He is a cadre in the ACP Ontario Chapter. While the majority of his research acumen has been established in medical publications, including JAMA Pediatrics and BMJ, he has a passion for bridging gaps between medicine, philosophy, and history.

symbols through which we, the living, engage dialectically with the struggles and aspirations of our own time. One such life is that of Dr. Norman Bethune—a Canadian physician, Communist, and internationalist who gave his life in service to the Chinese people during their War of Resistance against Japanese Imperialism. Though he died in 1939, his legacy remains a living contradiction—a privileged doctor who became a revolutionary; a Canadian forgotten in his motherland but a hero throughout the People's Republic of China. A man whom Mao Zedong described in his writings as, "utterly devoted to others without any thought of self," and who came to embody the very spirit of communism.[2]

Bethune's biography traverses continents and contradictions: Canada, Spain, China; medicine and politics; personal ambition and political commitment. Yet if we view him only as a courageous figure in history, we fall prey to idea worship, failing to grasp the deeper lesson. As Mao famously asked: "What kind of spirit is this that makes a foreigner selflessly adopt the cause of the Chinese people's liberation as his own?" The answer—the spirit of internationalism, the spirit of communism—demands more than reverence.[1] It demands recursion. To honour Bethune today is not to celebrate a fossilized hero, but to enter into struggle with the living principles he died to defend.

This article will trace Bethune's life—not as an antiquarian record, but as a political becoming. In the Marxist tradition, Bethune's biography will be presented not as a tale of individual heroism, but as an example of ideological transformation: the move from professional detachment to revolutionary commitment, from liberal idealism to proletarian internationalism. We will follow him from his early medical career in Canada, through the battlefields of Spain, and finally to the revolutionary base areas of northern China. In doing so, we aim to recover the material basis of his transformation—how Bethune overcame the contradictions within himself and aligned his skills with the needs of the oppressed.

Bethune's life will be placed in dialogue with the philosophical tradition of dialectical materialism. Drawing from Marxist understandings of history, we will argue that his path exemplifies the dialectic not only in content, but in form. His actions represent the concrete realization of international solidarity, and his death raises enduring questions about Communist heroism: What does it mean to live and die for a people not your own? How does the internationalist spirit

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2. Mao Tse-tung, *"In Memory of Norman Bethune,"* in *Selected Works of Mao Tse-tung*, vol. 2 (Peking: Foreign Languages Press, 1967).

resist co-optation by liberal humanitarianism? And what role does memory itself play in the dialectical development of revolutionary consciousness?

By revisiting Bethune through this dual lens—biographical and philosophical—we resist the bourgeois impulse to isolate the man from the movement. Instead, we reclaim him for what he was: a historical agent shaped by, and contributing to, the global Communist struggle. In doing so, we ask our readers not simply to remember Norman Bethune, but to learn from him—and to struggle with his example in the contradictions of our own moment.

A biography of Norman Bethune

The following biographical account of Bethune draws primarily on authoritative works which include Roderick Stewart and Sharon Stewart's *Phoenix: The Life of Norman Bethune* (2011), Roderick Stewart and Jesús Majada's *Bethune in Spain* (2014), and Chung Chih-cheng's *Norman Bethune in China* (1975).[3] Their comprehensive research and careful documentation form the foundation of this account. Unless otherwise indicated, all information and quotations are derived from these sources.

Henry Norman Bethune was born on March 4, 1890, in Gravenhurst, Ontario, to Malcolm Bethune (1857-1932), a Presbyterian minister, and Elizabeth Ann Goodwin (1852-1948). The family moved often due to his father's frequent clashes with congregations and financial instability, which shaped Norman's early years. Despite these challenges, he developed a strong sense of justice, independence, and artistic talent. Though rebellious against his father's strict religious discipline, Norman internalized his father's moral sensibility and desire to help the sick and poor. Norman graduated secondary school in 1907 and secured a spot at the University of Toronto. To fund his education, he took demanding jobs in Ontario's Algoma District, spending summers on passenger ships and winters in construction camps.

Medical School and Early Career

3. Roderick Stewart and Sharon Stewart, *Phoenix: The Life of Norman Bethune* (Montreal: McGill-Queen's University Press, 2011); Roderick Stewart and Jesús Majada, *Bethune in Spain* (Montreal: McGill-Queen's University Press, 2014); Chung Chih-cheng, *Norman Bethune in China* (Peking: Foreign Languages Press, 1975).

Bethune entered medical school in 1912. As Europe descended into war in 1914, he enlisted in the Canadian Expeditionary Force in September that year. He was assigned to the Canadian Army Medical Corps and saw action in February 1915, helping to defend the line against a German chlorine gas attack during the Second Battle of Ypres. After a shrapnel injury in April 1915, Bethune returned to Canada. He resumed his medical studies, graduating with a Bachelor of Medicine in December 1916. He then joined the Royal Navy, but after conflicts with superiors and contracting influenza, was demobilized in February 1919.

After his demobilization, Bethune pursued a surgical internship in London, England, where he became involved in the city's cultural and social life. His flamboyant personality and love for art and high society clashed with his resentment of wealth and privilege. In London, he met and married Frances Campbell Penney in 1923. During their honeymoon in Europe, tensions between them escalated, culminating in financial hardship, driven by Bethune's frivolous spending and cavalier lifestyle. After their funds ran out in Europe, they returned to London where Bethune failed to secure a medical position. Faced with limited opportunities, in 1924 Norman returned to Canada with Frances and later moved to the United States where Bethune hoped to find more success. After struggling to establish a medical practice in Detroit, Bethune's fortunes improved when he passed a Michigan medical exam, securing a position as an assistant surgeon at Harper Hospital. By 1926, his career had flourished, however his marriage deteriorated due to Bethune’s emotional volatility and heavy drinking, with Frances eventually leaving.

Class Consciousness and the Shedding of Bourgeois Individualism

In September 1926, Bethune was diagnosed with tuberculosis, which led him to seek treatment at various hospitals, including Trudeau Sanatorium. His illness deepened his depression, and he struggled with isolation, financial worries, and the breakdown of his marriage. He pursued a radical treatment, the pneumothorax procedure, despite the risks. Although the procedure caused complications, Bethune persisted in his creative efforts. For Bethune, this was a period of deep self-reflection, leading to a renewed resolve to make a meaningful contribution to the world. This marked a shift from his previous despair to a more purposeful mindset, as he began to search for ways to leave a lasting impact before his death.

After recovering from the procedure, Bethune immersed himself in tuberculosis research at Ray Brook Sanatorium. His enthusiasm and rapid learning impressed many colleagues, though his unconventional and rebellious spirit put him at odds with others. His work on new surgical techniques, particularly in thoracic surgery, earned him recognition, and he designed several medical instruments that garnered attention.

By 1931, Bethune found himself at a crossroads, both professionally and personally. Disillusioned with the limitations of his life and the capitalist medical system, Bethune's emotional and intellectual struggles began to shape his political beliefs. Increasingly drawn to communism, he embraced its promise of justice. This transformation was not just intellectual, but moral, as Bethune became determined to use his medical skills for the collective will. While his political consciousness was still developing, crises such as The Great Depression fueled his curiosity about societal inequities and the struggles of the working class. Bethune began to observe disparities in medical institutions, stating, "there is a rich man's tuberculosis and a poor man's tuberculosis. The rich man recovers and the poor man dies."[4] His evolving views on medicine and class would eventually contribute to his radicalization. By the mid-1930s, as a chief thoracic surgeon at the Hôpital du Sacré-Cœur in Montreal, Bethune had pioneered medical contributions, including the first person-to-person blood transfusion at the institute. However, his volatile nature and unconventional methods created tension in the operating room.

Bethune's growing social awareness extended beyond surgery. He became a vocal critic of healthcare inequities, particularly regarding tuberculosis and its connection to poverty. Through his involvement with the League for Social Reconstruction, he aligned himself with political movements advocating for systemic change. Impressed by their state-run medical system, Bethune traveled to Moscow in 1935 to study the Soviet approach to medicine. He returned to Canada and soon joined the, then-illegal, Communist Party of Canada. He formed a study group of progressive medical professionals to design a healthcare plan for all Canadians and continued to advocate for a system free from private profit. In a 1936 speech, he condemned the commercialization of medicine and called for ethics based on justice between medicine and the people. Hoping to influence a Quebec provincial election, he and his group created four pilot healthcare plans to improve the current system without proposing full socialization. These were ignored by politicians and the

4. Norman Bethune, "A Plea for Early Compression in Pulmonary Tuberculosis," *Canadian Medical Association Journal* 27, no. 1 (July 1932): 36-42.

public alike and by the summer of 1936, he was disillusioned and ready to leave Montreal. Bethune's evolving medical vision became inseparable from his growing commitment to proletarian internationalism, a thread that would guide his work in the years ahead.

The Spanish Civil War

In July 1936, civil war erupted in Spain between the Republican government and the Nationalist forces led by General Francisco Franco. Outraged by the rise of fascism and the global community's indifference, Bethune became increasingly committed to the Republican cause. When the Canadian Red Cross refused to intervene, Bethune co-founded the Committee to Aid Spanish Democracy (CASD) with journalist Graham Spry, and emerged as its most passionate advocate. Bethune resigned from his post at Montreal's Hôpital du Sacré-Cœur in October 1936. At a rally in Toronto, he was introduced as the head of a Canadian medical mission to Spain. His speech condemned fascism and called for action. Plans for a similar rally in Montreal were blocked by opposition from Catholic and right-wing groups. Angered, Bethune publicly criticized the city's leaders for suppressing aid to the Spanish people.

On October 24, 1936, Bethune left Canada with medical supplies. After securing passage through Paris, he arrived in Madrid on November 2 as Nationalist forces closed in. There, he purchased anti-tetanus vaccines for wounded miners in Oviedo, earning him the gratitude of Spanish officials. Madrid, though under siege, remained resilient—shops stayed open, propaganda posters lined the streets, and civilians—including children—took up arms.

Bethune partnered with Danish-Canadian journalist Henning Sorensen, who served as his interpreter. They visited hospitals across Madrid, offering Bethune's services as a chest surgeon. However, his lack of Spanish and the absence of need for his specialization limited his utility. Witnessing the devastation caused by German and Italian air raids, Bethune redirected his efforts. He proposed creating a mobile blood transfusion service—a pioneering and innovative contribution to wartime medicine. With $5,000 in funding and a converted station wagon purchased in London, Bethune returned to Spain in December 1936 and launched the Canadian Blood Transfusion Institute in Madrid. On January 3, 1937, the team performed its first successful transfusion,

saving a soldier's life. The service proved vital, delivering blood to frontline hospitals and casualty stations. Bethune aimed to expand the operation across Republican-held Spain and met with Spanish officials to propose a national blood service. While initially met with skepticism and concern over overlapping efforts with Dr. Frederic Duran i Jordà's Barcelona-based system, a collaboration was eventually agreed upon.

In February 1937, Bethune traveled to Málaga to test the mobile service, where he encountered chaos as Nationalist forces advanced and refugees flooded the roads. He helped evacuate civilians to Almería, offering medical aid under bombing raids. Deeply moved by the suffering, Bethune documented the ordeal in his pamphlet *The Crime on the Road: Málaga to Almería*, to raise international awareness.

Despite his efforts on the ground, Bethune soon encountered resistance from Spanish authorities, who moved to place the blood service under joint control with Spanish doctors, sidelining Bethune. Despite contributing financially and logistically, he was frustrated by bureaucratic resistance, unpaid salaries, and growing tensions with colleagues. Disillusioned, Bethune decided in April 1937 to withdraw Canadian staff from the institute and return to Canada to campaign against fascism. Bethune shifted focus to new projects, including aid for war orphans.

On June 2, 1937, Bethune departed for New York, effectively ending his direct involvement in Spain. Reflecting on his missteps during the journey, he admitted to colleague Hazen Sise, "I have blotted my copybook." Despite his troubled exit, Bethune's contributions to battlefield medicine were significant. His innovative mobile blood transfusion service laid the groundwork for future mobile surgical units, such as MASH units used in later wars. His humanitarian work, particularly during the Málaga-Almería evacuation, left a lasting impact.

Although largely forgotten for decades—overshadowed by events like the bombing of Guernica—Bethune's legacy in Spain was revived in the 1990s. In 1996, an exhibition commemorated his efforts, and in 2006, the city of Málaga honored him with a maple tree and a plaque inscribed: "Walk of Canadians – In memory of aid from the people of Canada at the hands of Norman Bethune, provided to the refugees of Málaga in February 1937."[5] This long-overdue

5. *TracesOfWar*, "Tunnel for the People of Canada," accessed May 24, 2025, https://www.tracesofwar.com/sights/90609/Tunnel-for-the-People-of-Canada.htm.

recognition reaffirmed Bethune's place in history as a visionary who risked his career and life to aid those in need.

Return to North America

Upon returning to North America on June 7, 1937, Bethune launched a public campaign to expose the inaction of Western democracies in the face of fascist aggression. At a New York press conference in June 1937, he condemned their failure to support Republican Spain and framed the Spanish Civil War as a chapter in a larger global battle against fascism—linking it to Japan's invasion of Manchuria and Benito Mussolini's campaign in Ethiopia.

From June to October 1937, Bethune toured Canada and the U.S., galvanizing support for the Republican cause. In Toronto, he was celebrated at a major rally, urging unity against fascism and warning of an impending global conflict. His rhetoric, however, soon alienated more moderate audiences; in Montreal, he described capitalist democracies as "a shell and a sham." Nevertheless, his vivid accounts of wartime atrocities and his proposal for a "child-city" for Spanish orphans moved thousands—both emotionally and financially.

As his tour wore on, Bethune became increasingly open about his political beliefs. Initially denying Communist affiliation to maintain broad appeal, he later publicly declared his membership in the Communist Party during a speech in Winnipeg, arguing that only communism could achieve emancipation and peace. This public stance, however, came at a personal cost. His political radicalization, combined with signs of emotional exhaustion, led to strained relationships and heavy drinking. He fell into depression, disillusioned by Canadian indifference and feeling torn between medicine and political advocacy. Despite his eagerness to return to the International Brigades, Bethune was denied re-entry. Spanish Communist officials, citing his erratic behavior, drinking, and mishandling of funds, labeled him unreliable. The rejection left him devastated, his medical ambitions and sense of purpose once again in limbo. It was in this moment of personal and professional exile that Bethune turned to a new possibility: China (中国).

In August 1937, Bethune proposed a medical mission to aid Chinese Communist forces resisting Japanese aggression. Although his idea was initially shelved, it gained traction as the Canadian and American Communist

Parties warmed to the notion. For Bethune, this was more than a tactical shift; it was a lifeline. China became the focus of his hope for redemption—a final attempt to fulfill the vow he had long carried: to do something of enduring value for humanity.

Bethune's final months in North America were defined by continued fundraising and planning for the China mission. Though leftist circles remained more invested in Spain, key figures like Earl Browder, Philip Jaffe, and Corliss Lamont contributed funds. Jaffe helped establish the China Aid Council (CAC), a front group for logistical and financial support. Bethune began assembling a team and stockpiling supplies for a small mobile hospital. Among those who joined was Lewis M. Fraad, a young CPUSA doctor initially skeptical of Bethune but ultimately won over by his passion.

This period was also deeply personal. Bethune was plagued by feelings of failure and emotional loneliness. He felt increasingly disconnected from those closest to him—kept at arm's length by his love interest Marian Scott. He confessed to feeling adrift, with no money, little professional standing, and the looming sense that China might be his final chapter. As the *Empress of Japan* set sail from Vancouver in January 1938, Bethune was a man suspended between hope and desperation. In his parting letters, his emotional spectrum was on full display. To Marian Scott, he was buoyant, almost euphoric, calling on her to read revolutionary texts. China represented his final chance—not just to practice medicine, but to redeem a life marred by personal and political failure. He believed deeply that this mission would be different. This time, he would get it right.

Bethune Travels to the Far East

Bethune's journey to support the Chinese Communists during their resistance against Japan was marked by physical hardships and intense interpersonal conflicts. Onboard the Empress of Asia, Bethune clashed with companions who Bethune suspected of financial mismanagement, causing mistrust. Bethune pushed for transparency but was ignored.

Upon arriving in Hong Kong, logistical chaos and missing funds fueled Bethune's frustration, though a temporary wire transfer offered short-term relief. In wartime Hankou, under constant threat of Japanese air raids, Bethune

faced poor hospital conditions and tensions with journalists. A key meeting with Communist leaders Zhou Enlai and Bo Gu resulted in Bethune committing directly to the Communist cause, despite opposition from peers.

In Tongguan, Bethune began his medical work under primitive and dangerous conditions. Despite increasing volatility in the region, he demonstrated unwavering professionalism. Their final journey to Linfen exposed the full chaos of war: overcrowded trains, air raid threats, and humanitarian crises. Throughout, Bethune emerged as a brilliant yet difficult figure, deeply committed to justice and the Communist cause, unafraid to confront allies and institutions when he saw failure.

Arriving in Yan'an

In late March 1938, after traveling long distances by ship, plane, train, mule wagon, and truck—and narrowly escaping air bombings multiple times—Bethune finally reached Yan'an (延安), the sacred heart of China's revolution, alongside the Eighth Route Army (八路军). On the day after his arrival, he met Chairman Mao Zedong (毛泽东), leader of the Communist Party of China. It was the first time Bethune saw the man whom the Western world called a legend. Mao was dressed plainly in a simple black cotton-padded garment, patched at the sleeves and knees, with the cotton-padded shoes of an ordinary Eighth Route Army soldier.[6]

They spent several hours in an open, free-flowing conversation that stretched late into the night. They talked about China and the world, the challenges faced both on the frontline and in the rear areas, military strategy, and health care. Bethune was struck by Mao's poised manner and the simplicity of his surroundings in the cave dwelling on Fenghuangshan Mountain (凤凰山). Reflecting on the Long March and the strategic guerrilla tactics developed by Mao and Zhu De (朱德) to outmaneuver the better-equipped Japanese forces, Bethune marveled at the man's stature—realizing why Mao inspired such admiration and respect. In his diary, he described Mao as a giant, one of the greatest people in the world.

During this meeting, Mao embraced Bethune's commitment and agreed to his request to go to the frontline to save more soldiers. Mao also warmly welcomed

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6. Global Times, "The Happiest and Most Meaningful Two Years in My Life — Stories of Chinese Communists in Norman Bethune's Last Letter," *Global Times*, May 17, 2021, https://www.globaltimes.cn/page/202105/1223647.shtml.

him into the Communist Party and supported his proposal to establish mobile surgical units, assigning Dr. Ma Haide (马海德) to assist him.

Bethune quickly became a public figure in Yan'an but chose to live modestly to avoid burdening local people. At Hejiachuan (何家川), he converted homes into makeshift operating rooms, treating many patients and donating his own blood multiple times. On May 22, he wrote to Mao criticizing the poor medical conditions and calling for a complete overhaul of the Eighth Route Army's medical system, proposing a permanent mobile surgical team funded by Canadian and American aid.

Following this, Bethune moved to Lanxian (蓝县) to continue surgeries and assess local health services. Traveling through Japanese-occupied territory by night, he was welcomed in Wutai County (五台县) and proceeded to Communist headquarters in Jingangku (金岗库) to advance his medical work. There, he met Commander-in-Chief Nie Rongzhen (聂荣臻), who immediately recognized Bethune's value and appointed him medical adviser for the frontier region. Under Nie's leadership, Bethune was empowered to overhaul medical services, establish mobile surgical units, and train local medical personnel—work critical to supporting the guerrilla campaign against the Japanese.

Bethune's Revolutionary Medical Work with the Eighth Route Army

Upon joining the Chinese Communist forces, Bethune shifted his focus from preaching communist ideology to revolutionizing the Eighth Route Army Medical Service. Despite facing significant cultural and language barriers—he did not speak Chinese and was known for his volatile temperament, earning the nickname "Lao Hu" (Old Tiger; 老虎) from Chinese medical staff. Bethune's commitment to improving medical care was unwavering. To help bridge communication gaps, an interpreter, Dong Yueqian (董岳谦), was assigned to assist him. Bethune was highly critical of the poor hospital conditions and outdated medical practices. He demanded sweeping reforms including staff retraining, improved sanitation, and better surgical procedures. Although initially met with resistance, his persistence gradually led to tangible improvements. As Medical Advisor, he launched a "Five Weeks Plan" to transform the base hospital into the finest facility within the Eighth Route Army.

He redesigned operating rooms, introduced new medical equipment, organized patient care routines, established record-keeping systems, and founded cleanup squads and recreational facilities. He advocated for medical education reform by proposing the creation of a training school and a model hospital to rapidly raise standards. Despite military concerns about fixed construction targets, Bethune successfully persuaded authorities to approve building a demonstration hospital in Songyankou (松岩口). This project became a major community effort, involving local villagers in construction and equipment production.

In November, Bethune led his medical team through harsh winter conditions and difficult mountainous terrain in the Yanbei region (燕北地区) to reach frontline hospitals. Upon arrival, he insisted on immediate care for the wounded, personally providing blankets when none were available, emphasizing that patient care was paramount. He and his team treated hundreds of wounded soldiers, often performing surgeries under rudimentary and dangerous conditions. Bethune encountered many cases of severe infection and gangrene caused by inadequate care during transport. This spurred him to perform amputations and pioneer mobile operating units near battlefields, providing timely surgical care that significantly reduced infection rates and mortality.

During a large-scale attack, Bethune's mobile surgical unit worked tirelessly, often in makeshift facilities under enemy bombing, showcasing extraordinary endurance and dedication. His efforts convinced military leaders to support the wider deployment of mobile surgical teams closer to combat zones, fundamentally changing battlefield medical treatment by emphasizing proactive intervention.

Throughout late 1938, while deeply involved in developing the Special Surgical Hospital in North China, Bethune was a prolific writer. He produced numerous letters, articles, reports, medical textbooks, and even a detailed hospital constitution. His literary work also reflected the harsh realities of war: the short story *"The Dud"* and the essay *"Wounds"* vividly depicted wartime suffering and condemned the capitalist and nationalist causes of the conflict.[78]

In January 1939, Bethune inaugurated the Special Surgical Practice School to train largely uneducated and illiterate peasant doctors in surgery and hospital management. His rigorous, hands-on teaching included rotating trainees

7. Norman Bethune, "Wounds," *Daily Worker*, February 19, 1940.
8. Norman Bethune, "The Dud," *Toronto Clarion*, July 8, 1939.

through nursing and janitorial roles to build discipline and comprehensive skills. His organizational reforms led to dramatic improvements in medical care, with reports indicating a 200% improvement at the Huata (华塔) base hospital. His methods were recommended for broader adoption throughout the region.

Bethune's dedication extended beyond his professional role, where he lived under extremely harsh conditions, subsisting on poor nutrition and rudimentary housing. He refused better food or rest to live in solidarity with soldiers and patients. This self-sacrifice, however, took a toll on his health, leading to infections and significant weight loss. Despite profound loneliness caused by isolation from language, cultural barriers, and limited contact with others—Bethune remained fiercely committed to his medical and political mission.

Bethune in the Jin-Cha-Ji Border Region, 1938--1939

In June 1938, Bethune arrived in the Jin-Cha-Ji Border Region (晋察冀边区) amidst a desperate shortage of medical supplies. Over the ensuing months, he appealed for assistance from the China Aid Council, sending monthly reports and urgent requests for essential materials like catgut, carbolic acid, and anesthetics. Despite these efforts, communication from the Council was minimal, with only three letters received that failed to address his critical supply needs. Unknown to Bethune, the Council in New York raised funds that intermediaries funneled to the Eighth Route Army, but none of the supplies reached Bethune.

Meanwhile, the China Defence League (CDL; 保卫中国同盟), led by Song Qingling (宋庆龄), sympathetic to Bethune's work, coordinated donations from various sources, including the Canadian League for Peace and Democracy. The CDL received multiple consignments earmarked for Bethune's unit and allocated funds for supplies. Political and logistical challenges likely hindered delivery. These included the long, hazardous transportation routes through Yan'an, Japanese occupation of nearby cities, and potential diversion of supplies to other Communist forces or base hospitals. Communication breakdowns left Bethune unaware of these diversions, fueling his frustration and sense of abandonment.

By late 1938, Bethune sought alternative supply routes leveraging contacts in Japanese-occupied Beijing (北京), where sympathizers had already smuggled

supplies to partisans. This hope was furthered by his December encounter with Kathleen Hall, a New Zealand missionary nurse running a small hospital near his area of operation. Despite ideological differences—Bethune distrusted missionaries as imperialist allies—Hall and Bethune found common ground in their humanitarian mission. Hall's unique position, holding a British passport allowing her train travel to Beijing under Japanese control, made her a vital link. After several meetings and discussions, Hall agreed to transport medical supplies for Bethune and to assist in reuniting his interpreter, Yueqian, with his family in Beijing by covertly smuggling them out under cover. Bethune understood the dangers Hall faced if discovered by Japanese authorities, prompting him to devise further plans to protect their efforts. Throughout this period, Bethune's unwavering commitment to delivering medical aid to the Eighth Route Army endured despite immense obstacles, scarce resources, and political complexities.

In early July 1939, relentless monsoon rains battered Hebei Province (河北省), flooding rivers and turning the land into a quagmire. These floods caused widespread destruction, sweeping away entire villages and devastating crops, but also temporarily stalled Japanese military advances into West Hebei. Despite suffering from infected feet due to prolonged exposure to wet conditions, Bethune remained dedicated and shifted his focus during this military lull to organizing, planning, and teaching. Shortly after returning from Central Hebei, Bethune discovered that the Hospital Central Committee Plan he had championed at the Yangjiazhuang (杨家庄) Special Surgical Hospital had been abandoned. The base hospital was moved, staff dispersed, and the model of elected committees was discarded. He wrote a fierce eight-page letter to Jin-Cha-Ji's health officials, condemning their bureaucratic failure and criticizing their revolutionary understanding. Bethune's ongoing inspections of hospitals across eight subdistricts revealed a severe lack of trained medical personnel, with only a handful of qualified doctors available to care for tens of thousands of wounded troops. Convinced that foreign aid would not arrive, he resolved to build a training program within China, aimed at quickly producing doctors and nurses equipped for guerrilla warfare conditions.

He designed a comprehensive medical school curriculum, including a six-month general course, followed by specialized nursing or medical courses, internships, and further surgical training. A model hospital for practical instruction was planned, to be housed in easily replaceable peasant homes to avoid the vulnerabilities exposed by permanent structures. Bethune also authored a 150-page textbook on mobile surgical techniques. Despite repeated

appeals, Bethune's requests for funds and supplies were ignored. Seeking alternative avenues, he looked to the Anglo-American community in Beijing for support. However, when Kathleen Hall's Anglican mission and hospital at Songjiazhuang (宋家庄) were destroyed by the Japanese in July, and she was subsequently detained and expelled from Beijing, Bethune's plan to travel to Beijing was thwarted. He was warned that Japanese security was tight and that his capture would mean certain execution. With his hopes for fundraising in Beijing dashed, Bethune resolved to return temporarily to North America to conduct a speaking tour and raise the funds necessary to support the medical program.

A Glorious Death: The Final Days of Norman Bethune

In the autumn of 1939, as the Japanese intensified their winter "mopping-up" campaign in western Hebei, Comrade Bethune made a fateful decision. Though scheduled to depart on October 20, he postponed his return and instead led his mobile medical team to the front at Laiyuan-Motienling (来远-摩天岭), where fierce fighting raged. Near the village of Sunchiachuang (孙家庄)—only a few kilometers from the front—Bethune and his comrades, without pausing to eat, converted a small hillside temple into a makeshift operating theatre and began treating wounded soldiers.

As enemy troops drew dangerously near, Bethune's resolve hardened. When warned that Japanese forces were approaching the village, he responded with urgency but no fear, calling for more operating tables to accelerate treatment. Despite the rattling of machine-gun fire and pleas from colleagues to evacuate, Bethune insisted on staying. "An army doctor's duty is to stay with the fighters," he said. "If he dies at his post, it's a glorious death." Even as he sliced his own hand with a scalpel mid-surgery, he dismissed the injury, disinfected it, and pressed on.

After completing his final operation just as bullets rained down, Bethune escaped on horseback with his team, riding through the night to the rear hospital at Kanhoching (坎霍金). There, despite his infected wound, he refused to rest, declaring, "There are so many wounded in need of treatment. How can I sit idly by?" But the infection worsened. As the wound festered and his fever climbed, Bethune still insisted on returning to the front, saying, "You should use me like a machine-gun."[9] Weak and feverish, he rocked in the saddle on the

9. "A Great Internationalist Fighter," *China's Medicine* 11 (November 1967): 823.

journey, apologizing to wounded soldiers for arriving “so late.” By the time the team reached Wangchiatai (王家台), Bethune’s condition was critical. The infection had spread near his elbow, but he worked 16 more hours without pause. On November 9, his temperature soared again. As the Japanese resumed their attack, the army leadership ordered an emergency evacuation. Though wracked with fever and shivering violently, Bethune’s thoughts remained with the soldiers: “What I’m worried about most are the fighters shedding their blood at the front.”

Bethune was taken to Yellow Stone Village (黄石村), where his condition rapidly deteriorated. Villagers and soldiers alike gathered, refusing to leave as news of his illness spread. Despite the doctors’ best efforts—including their suggestion of amputation—Bethune calmly told them to stop, stating, “It’s no longer a matter of the arm. It’s in the blood. Septicemia. Nothing can help me.” In his final hours, he summoned his strength to write a letter expressing gratitude to the Communist Party of China and his comrades. “The last two years have been the most significant, the most meaningful years of my life,” he wrote. To Chairman Mao, he sent thanks for “the education he and the Communist Party have given me.”

With his final breath, Norman Bethune urged his comrades to “fight on” and “carry the cause forward.” He died on November 12, 1939, a martyr to the internationalist cause, remembered not only for his unmatched medical skill, but for his unshakable commitment to human dignity and solidarity. On December 1 soldiers and civilians alike gathered for a memorial meeting in Yan’an, with Bethune’s death igniting a renewed courage among the troops. On December 21, Mao Zedong penned the famous eulogy, *In Memory of Norman Bethune*, enshrining him forever in the hearts of the Chinese people:

“*Comrade Norman Bethune, a member of the Communist Party of Canada, was around fifty when he was sent by the Communist Parties of Canada and the United States to China; he made light of travelling thousands of miles to help us in our War of Resistance Against Japan. He arrived in Yenan in the spring of last year, went to work in the Wutai Mountains, and to our great sorrow died a martyr at his post. What kind of spirit is this that makes a foreigner selflessly adopt the cause of the Chinese people's liberation as his own? It is the spirit of internationalism, the spirit of communism, from which every Chinese Communist must learn. Leninism teaches that the world revolution can only succeed if the proletariat of the capitalist countries supports the struggle for liberation of the colonial and semi-colonial peoples and if the proletariat of the*

colonies and semi-colonies supports that of the proletariat of the capitalist countries. Comrade Bethune put this Leninist line into practice. We Chinese Communists must also follow this line in our practice. We must unite with the proletariat of all the capitalist countries, with the proletariat of Japan, Britain, the United States, Germany, Italy and all other capitalist countries, for this is the only way to overthrow imperialism, to liberate our nation and people and to liberate the other nations and peoples of the world. This is our internationalism, the internationalism with which we oppose both narrow nationalism and narrow patriotism. Comrade Bethune's spirit, his utter devotion to others without any thought of self, was shown in his great sense of responsibility in his work and his great warm-heartedness towards all comrades and the people. Every Communist must learn from him. There are not a few people who are irresponsible in their work, preferring the light and shirking the heavy, passing the burdensome tasks on to others and choosing the easy ones for themselves. At every turn they think of themselves before others. When they make some small contribution, they swell with pride and brag about it for fear that others will not know. They feel no warmth towards comrades and the people but are cold, indifferent and apathetic. In truth such people are not Communists, or at least cannot be counted as devoted Communists. No one who returned from the front failed to express admiration for Bethune whenever his name was mentioned, and none remained unmoved by his spirit. In the Shansi-Chahar-Hopei border area, no soldier or civilian was unmoved who had been treated by Dr. Bethune or had seen how he worked. Every Communist must learn this true communist spirit from Comrade Bethune. Comrade Bethune was a doctor, the art of healing was his profession and he was constantly perfecting his skill, which stood very high in the Eighth Route Army's medical service. His example is an excellent lesson for those people who wish to change their work the moment they see something different and for those who despise technical work as of no consequence or as promising no future. Comrade Bethune and I met only once. Afterwards he wrote me many letters. But I was busy, and I wrote him only one letter and do not even know if he ever received it. I am deeply grieved over his death. Now we are all commemorating him, which shows how profoundly his spirit inspires everyone. We must all learn the spirit of absolute selflessness from him. With this spirit everyone can be very useful to the people. A man's ability may be great or small, but if he has this spirit, he is already noble-minded and pure, a man of moral integrity and above vulgar interests, a man who is of value to the people."[10]

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10. Mao Tse-tung. "In Memory of Norman Bethune." In *Selected Works of Mao Tse-tung*, Vol. 2, 337–40. Peking: Foreign Languages Press, 1967.

Communist Heroism: The Living Legacy of Comrade Bai Qiu-En

At 5:20 a.m. on November 12, 1939, Norman Bethune died in a frontline surgical station in northern China. He had operated for over 19 hours in a dim cave hospital, saving the lives of wounded soldiers fighting for national liberation against Japanese imperialism. He died not with his name engraved in textbooks or cast in bronze, but with bloodied sleeves, an infected body, and unfinished work. Yet that unfinished work—the selfless internationalism, the devotion to the people, the revolutionary spirit—was taken up by those who lived.

Forty days later, Chairman Mao Zedong wrote *In Memory of Norman Bethune*, one of the most widely read and enduring political texts in Chinese revolutionary literature. In it, Mao called Bethune "a man of moral integrity, above vulgar interests," and named his spirit, of utter selflessness and internationalism, as one that every Chinese Communist must emulate. This was not idle praise. It was a call to serve the people wholeheartedly and fight imperialism wherever it may take root.

In China today, that call continues to echo. Bethune is remembered not just as a friend of the Chinese people, but as a comrade whose example has become foundational to the moral and political education of hundreds of millions. His story appears in elementary and secondary textbooks across every province, from Hebei to Guangdong. Students learn not only his biography, but the meaning of his deeds—how he transformed his medical skill into a weapon of revolutionary service. In a time when rural China lacked access to even the most basic surgical care, Bethune introduced modern battlefield medicine to the Communist base areas: blood transfusions, antiseptic techniques, mobile surgical units, and hands-on medical training for local health workers. He operated tirelessly under fire, often in makeshift cave hospitals, and insisted that medical care be available to all—not just officers, but the peasantry and the wounded rank-and-file. In doing so, he laid the foundations for a new proletarian medical ethic, rooted in accessibility, egalitarianism, and political purpose. In Hebei Province where he died, an entire network of hospitals, schools, statues, and museums bear his name, including the Bethune International Peace Hospital, the Bethune Memorial Hall, and the Bethune Hope Primary School in the very village where he last operated.

The Bethune Medical Science Center at Jilin University remains one of China's leading medical institutions, and its hospitals—officially named Bethune First, Second, and Third Hospitals—treat thousands each day. Beyond his symbolic presence, Bethune's practical introduction of modern surgical techniques and his dedication to training Chinese medical personnel fundamentally accelerated the development of China's contemporary healthcare system.[11] Statues of Bethune dot university campuses, PLA hospitals, and town square. His image and writings are engraved in the landscape, recited in Party study sessions and political education courses. He is not a foreigner in China. He is a moral ancestor, a name known to virtually every citizen of the People's Republic of China.

And yet in Canada, his legacy is scarcely remembered. In Gravenhurst, Ontario—the small Canadian town where Bethune was born, and the site of one of the country's least visited national historic sites—there are calls to have his statue torn down.[12]

Residents denounce the local monuments to Bethune as a stain on Canadian values. They are so insecure in their own idealism that they will not acknowledge Bethune's years of free medical work among the poor in Montreal, his frontline service in the Spanish Civil War, or his sacrifice in the Chinese resistance against fascism. Instead, they demand the removal of Bethune Memorial House, the downtown statue, and Bethune Drive, on the grounds that a "murderous dictator wrote [his] eulogy." To this camp, Bethune's association with Mao Zedong is reason enough for erasure. His commitment to communism, they argue, disqualifies him from recognition in a town that sees itself as part of the Anglo-Saxon ideal.

Their conceit stretches beyond historical ignorance—it exposes the deep ideological divide over how memory functions under capitalism versus communism. In Canada, Bethune is remembered faintly, if at all, and always with suspicion. His radical commitments are excised or reframed as mere eccentricities. His work is depoliticized, reduced to humanitarian service devoid of context or conviction. But in moments of ideological crisis, when capitalism is forced to name its enemies, his memory is vilified outright,

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11. Jean Deslauriers and Denis Goulet, "The Medical Life of Henry Norman Bethune," *Canadian Respiratory Journal* 22, no. 6 (November–December 2015): e32–42, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4676399/.

12. Doppler Online, "Letters: Remove All Recognition of Norman Bethune in Gravenhurst," *South Muskoka Doppler*, March 18, 2025, https://southmuskoka.doppleronline.ca/letters-remove-all-recognition-of-norman-bethune-in-gravenhurst/[13]

transformed into an object of moral panic. This is not simply amnesia. It is suppression.

Contrast this with China, where Bethune's legacy is not only preserved but actively used to teach, to inspire, to discipline, and to mold new generations into revolutionary citizens. His memory is dialectically reproduced, not as a static icon, but as a standard of living political commitment. In this way, the Chinese proletariat has not merely remembered Bethune, they have made him immortal.

The contradiction could not be more stark: a man erased at home, immortalized abroad. In Canada, he is "a communist" a reason for shame; in China, he is "Comrade Bai Qiu'en" (白求恩), a reason for pride. This contradiction is not personal—it is historical. It reflects the class forces in struggle where imperialism seeks to forget its traitors and communism seeks to elevate its martyrs. And Norman Bethune was a traitor to empire. He betrayed wealth, imperialism, and privilege to serve the international proletariat.

He died not for an Anglo-Saxon Canada, but for Communist solidarity.

What does this tell us today? It tells us that the memory of revolutionaries will always be contested, because history is not a neutral ledger; it is a battlefield; it is undetermined. The war over Bethune's statue in Gravenhurst is not about one man's legacy. It is about what that legacy threatens to reveal: that it is possible—indeed, necessary—for individuals in the imperial core to align themselves with struggles not their own, to renounce nationalist chauvinism, and to give their lives to the fight of the masses against imperialism. Or as Stalin made clear, it is a "necessity for the proletariat of the "dominant" nations to support—resolutely and actively to support—the national liberation movement of the oppressed and dependent peoples."[14] And to this day, protesters in Montreal gather around Bethune's statue in solidarity with Palestine, committed to contemporary struggles against imperialism and occupation.[15]

Norman Bethune is not a hero because he died. He is a hero because he knew what to die for. Because he turned his back on bourgeois individualism and personal privilege, and through action and sacrifice, became a servant of

14. J. V. Stalin, *Collected Works*, vol. 6 (Moscow: Foreign Languages Publishing House, 1953), transcribed by Victor Barraza, Marxists Internet Archive, May 2008, https://www.marxists.org/reference/archive/stalin/works/1953/06/index.htm.

15. Felix Legault, "Fighting for Palestinian Liberation," *The Link*, March 5, 2024, https://thelinknewspaper.ca/article/fighting-for-palestinian-liberation.

national liberation. The December 1966 *PLA Daily* editorial marking the anniversary of Bethune's death crystallized this shift, describing Mao's memorial as a "powerful weapon to eradicate self-interest and foster public interest," and portraying petty individualism as a persistent residue of class society that required continual eradication.[16]

In the end, Bethune does not belong to Canada. He belongs to the real movement. He belongs to the collective will. And in every Chinese child who learns his name, every patient treated in a Bethune hospital, and every comrade who reads Mao's eulogy and feels its fire, his legacy lives—unbending, undefeated, and still in struggle.

16. "Study in Memory of Norman Bethune (Reprint of December 21 1966 People's Liberation Army Daily Editorial)," *China's Medicine* 5, no. May (1967): 328–29.

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The Crisis of Neoliberal Capitalism: The Limits of Populism and the Necessity of Socialist Transformation

Jonathan Brown[1]

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Introduction

In 1992, in the wake of the collapse of the Soviet Union and the end of the Cold War, American political scientist Francis Fukuyama arrogantly proclaimed the "end of history."[2] According to Fukuyama, Western liberal democracy and free-market capitalism had triumphed once and for all, representing the final form of human government. This ideological triumphalism — the belief that there was no alternative to capitalism — became the foundation for a new political era. For the next fifteen years, the United States operated under a bipartisan economic consensus committed to privatization, deregulation, trade liberalization, and incarceration — a model now widely recognized as *neoliberalism*.[3]

This period of neoliberal triumphalism came crashing down in 2008. The Global Financial Crisis, triggered by the housing market collapse, ushered in the most severe economic recession since the Great Depression.[4] In its wake, the ideological pillars of the neoliberal consensus were thrown into question. Populist movements on the left and right – exemplified by Occupy Wall Street and the Tea Party – emerged to challenge the legitimacy of the existing order.[5] Their message was clear: free-market capitalism is not the inevitable destiny of human history.[6] Public disillusionment with the status quo has only continued to deepen in the years following the 2008 financial crisis — yet this populist energy has yet to coalesce into a successful challenge to the enduring power of neoliberal capitalism.

This paper attempts to provide a comprehensive historical-materialist analysis of neoliberal capitalism: its economic and ideological foundations, its emergence as a distinct phase in the history of capitalist development, the roots of its growing crisis of legitimacy, and the rise of populist movements on the left and right. I argue that only a revived communist movement can transform the scattered populist rebellions of today into a unified, revolutionary struggle. Rather than calling for reforms, this movement must aim to rebuild the country

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2. Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992), xiii.

3. Kevin Vallier, "Neoliberalism," *The Stanford Encyclopedia of Philosophy* (Winter 2022 Edition): https://plato.stanford.edu/archives/win2022/entries/neoliberalism/

4. Peter Temin, "The Great Recession & the Great Depression," *Daedalus* 139(4) (2010): 115.

5. Rachel Meade, "Populist Narratives from Below: Occupy Wall Street and the Tea Party," *IDEAS – Idées d'Amériques* 10 (2020): https://doi.org/10.4000/ideas.5833

6. Linton Weeks, "Finding Common Ground Between Two Movements," *NPR* (October 22, 2011): https://www.npr.org/2011/10/22/141619672/finding-common-ground-between-two-movements

from the ground up — re-industrializing the economy, restoring popular sovereignty, and taking back power from the financial oligarchy. Such a revolutionary transformation can only be achieved by the working-class, under the vanguard leadership of the American Communist Party (ACP).

What is Neoliberal Capitalism?

To understand the challenges posed to neoliberal capitalism by populist movements today, we must first define what neoliberalism is, outline its core features, situate it within the historical development of the capitalist mode of production, and identify the specific mechanisms through which it has entered a state of crisis. Neoliberalism can be analyzed as both a specific period in capitalism's historical development and a set of ideas and policies regarding the role of markets in social life. In that sense, I will define neoliberalism broadly as a social, political, and economic regime that emerged in the late 1970s that serves the interests of global financial institutions seeking to transform all domains of social life along the lines of free-market capitalism.[7]

The present study focuses on two salient dimensions of neoliberalism that are commonly explored in the literature. The first dimension highlights neoliberalism as a set of policy issues, such as deregulation and global free trade initiatives. The second characterizes neoliberalism as a governing rationality that has come to pervade both economic and non-economic spheres of social life. This second dimension refers not just to a specific set of policies, but rather to a dominant ideology that imposes market logic and rationality onto the operation of major institutions that shape our lives. In the sections that follow, I offer an analysis of both these two distinct dimensions of neoliberalism.

The Neoliberal Policy Agenda

One way to think of neoliberalism is as support for a particular political and economic policy agenda designed to expand global markets and restructure domains of social life under the purview of the marketplace. This neoliberal policy agenda includes four core elements: privatization, deregulation, trade liberalization, and incarceration. These will each be explored in detail below.

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7. Raewyn Connell, "Understanding Neoliberalism," in *Neoliberalism and Everyday Life*, ed. Susan Braedley and Meg Luxton (Montreal: McGill-Queen's Press-MQUP, 2010), 22-36.

Privatization

During the early 20th century, governments around the world began to take on the administration of a variety of tasks that the private sector had previously performed, nationalizing industries such as transportation, energy, education, and healthcare.[8] Privatization represents the reversal of public-sector administration, transferring the control and delivery of essential services from the state to the market.[9] As a result, the maintenance of public infrastructure and the provision of vital social services are being driven by the pursuit of private profit rather than by serving the public interest.[10] Since the 1970s, large swaths of public services have been transferred to private enterprises.

Privatization is often justified by its proponents as a means of promoting economic freedom. Within this framework, government administration is portrayed as a form of tyranny, while market mechanisms are equated with individual liberty.[11] However, historical research has shown that the origins of privatization lie not in freedom, but in fascist dictatorship, as both Nazi Germany and Pinochet's Chile used it to enrich elites and suppress dissent.[12] These experiments laid the groundwork for privatization's adoption in the United States in the 1980s, where it became a central plank of neoliberal policy. Far from enhancing liberty, it has functioned as a tool of ruling-class consolidation, replacing public interest with private profit.

Deregulation

Deregulation is the second key policy goal under neoliberalism. This involves the reduction of government rules and guidelines that regulate the behavior of the private sector, as well as the defunding or elimination of government regulatory agencies.[13] Since neoliberalism views government regulations as an

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8. John B. Goodman and Gary W. Loveman, "Does Privatization Serve the Public Interest?" *Harvard Business Review* (November–December 1991).

9. Brigitte Young, "Neoliberalism," in *International Encyclopedia of Political Science*, ed. Bertrand Badie, Dirk Berg-Schlosser, and Leonardo Morlino (Thousand Oaks: SAGE Publications, Inc., 2011), 1677.

10. Noam Chomsky, *Profit Over People: Neoliberalism & Global Order* (New York: Seven Stories Press, 1999).

11. Antony P. Mueller, "The Path to True Freedom is Systematic Privatization," *Mises Institute* (December 8, 2023): https://mises.org/mises-wire/path-true-freedom-systematic-privatization

12. Livia Gershon, "The Roots of Privatization," *JSTOR Daily* (March 12, 2021): https://daily.jstor.org/the-roots-of-privatization/

13. Steger and Roy, *Neoliberalism: A Very Short Introduction*, 45.

obstacle to free market competition, deregulation is promoted as a means of removing unnecessary government interference and unleashing economic growth, which is believed to benefit the general public. However, in practice, deregulation has often produced harmful consequences for consumers and society.

For example, efforts to deregulate media and finance in the 1990s, such as loosening ownership rules and dismantling the separation between commercial and investment banking, led to massive corporate consolidation and speculative risk-taking. A handful of conglomerates came to dominate media markets, limiting consumer choice and access, especially in less profitable rural areas.[14] In finance, deregulation paved the way for the reckless practices that triggered the 2008 global crisis—causing widespread foreclosures, job losses, and recession.[15] Far from benefiting consumers, these policies have concentrated power, weakened public oversight, and heightened economic instability.

Trade Liberalization

Neoliberalism involves the process of eliminating barriers to corporate free trade and establishing international governmental organizations to manage and oversee the flow of capital across national boundaries.[16] While often presented as a path to growth and efficiency, trade liberalization has had devastating effects on working people in the United States. By removing tariffs, quotas, and other protections for domestic industry, neoliberal trade policy has enabled corporations to offshore manufacturing to countries with lower wages, fewer regulations, and minimal labor protections.[17] This process of global labor arbitrage has led to the deindustrialization of vast sectors of the U.S. economy. Cities and towns once sustained by unionized manufacturing jobs — especially across the Rust Belt — have been hollowed out, leaving behind mass

14. Illinois General Assembly, *Telecommunications Deregulation: What Went Wrong?* (Springfield: Commission on Government Forecasting and Accountability, 1999): https://www.ilga.gov/commission/cgfa/archives/telecom_dereg.PDF

15. Dennis Kelleher, "Dodd-Frank and Deregulation: Some Lessons from History," *Law360* (October 26, 2017): https://www.law360.com/articles/984006/dodd-frank-and-deregulation-some-lessons-from-history

16. Anwar Shaikh, *Globalization and the Myths of Free Trade: History, Theory and Empirical Evidence* (New York: Routledge, 2007).

17. Steven High, "Deindustrialization and Its Consequences," in *Routledge International Handbook of Working-Class Studies*, ed. Michele Fazio, Christie Launius, and Tim Strangleman (London: Routledge, 2020).

unemployment, wage stagnation, social disintegration, and the collapse of working-class political power.[18]

Incarceration

The final aspect of the neoliberal policy agenda involves the expansion and militarization of the carceral state.[19] Whereas liberal policy-makers of the mid-20th century had once declared a "War on Poverty," the neoliberal consensus has sparked a war on the poor themselves.[20] Under neoliberalism, the carceral state has supplanted the welfare state as the primary means of managing the surplus population, warehousing the unemployed through means of policing, incarceration, and surveillance rather than social support.[21] As neoliberal politicians dismantled the social safety net through privatization and deregulation, and deindustrialization drove factory workers into unemployment by offshoring manufacturing jobs, the prison system emerged as the primary tool for managing social inequality.[22] As incarceration rates soared in the late 20th century, the government increasingly outsourced prison operations to private corporations whose profit model depends on mass incarceration.[23] Such is the logic of neoliberalism: dismantle industry, auction off public services, and lock away those who have been left behind.

Neoliberal Subjectivity

Neoliberalism goes beyond a set of policies: it is also a way of thinking about and understanding the world.[24] A unique form of subjectivity has emerged as a

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18. Gary Paul Green, "Deindustrialization of Rural America: Economic Restructuring and the Rural Ghetto," *Community Development* 52(1) (2021): 15–25.

19. Adaner Usmani, "Did Liberals Give Us Mass Incarceration?" *Catalyst: A Journal of Theory and Strategy* 1(3) (2017): 169-185.

20. Toure Reed, *Toward Freedom: The Case Against Race Reductionism* (NY: Verso Books, 2020), 135.

21. Elizabeth Hinton, *From the War on Poverty to the War on Crime: The Making of Mass Incarceration in America* (Cambridge: Harvard University Press, 2016).

22. Cedric Johnson, "The Panthers Can't Save Us Now: Anti-Policing Struggles and the Limits of Black Power," *Catalyst: A Journal of Theory and Strategy* 1(1) (2017): 57-86.

23. Gregmar I. Galinato and Ryne Rohla, "Do Privately-Owned Prisons Increase Incarceration Rates?" *Labour Economics* 67 (2020): https://doi.org/10.1016/j.labeco.2020.101908

24. Paul Schofield, "How Neoliberalism Has Distorted Human Choice," *Jacobin* (April 29, 2025): https://jacobin.com/2025/04/neoliberalism-choice-individualism-market-freedom

result of the way production is organized under neoliberal capitalism. This neoliberal subjectivity applies the logic of market calculation not only to the management of the affairs of the state but also to virtually all major institutions in contemporary society.[25] As a result, the entrepreneurial values of individual competition has come to be the dominant standard across society as a whole, not just the marketplace.[26] Consequently, all institutions of the public sector and civil society now operate according to the logic of the profit-seeking corporation.[27]

But neoliberalism does not stop at transforming the mode of governance of social institutions. Neoliberal subjectivity persuades individuals to govern themselves through the model of individual competition promoted through the market.[28] It is in this sense that the governing rationality of the marketplace penetrates not only institutions but the individual as well. Under neoliberalism, identity, lifestyle, and the self all become commodities to be bought and sold on the marketplace.[29] This neoliberal governing rationality encourages individuals to view themselves as brands to be marketed and promoted.[30] This notion of "self as commodity" reproduces neoliberalism's core logic: that individuals can only realize their potential through the pursuit of self-interest in the marketplace.

Having defined neoliberalism as both a set of policies and a mode of subject formation, we can now situate it within the broader historical development of the capitalist mode of production. Neoliberalism is not an ahistorical phenomenon, but a distinct phase in the ongoing transformation of capitalist social relations — one shaped by, and responsive to, the specific crises and contradictions of its time.

The History and Development of Neoliberal Capitalism

25. Braedley and Luxton, *Neoliberalism and Everyday Life,* 163.
26. Christian Laval and Pierre Dardot, *The New Way of the World: On Neoliberal Society* (London: Verso, 2013).
27. Wendy Brown, *Undoing the Demos: Neoliberalism's Stealth Revolution* (Cambridge: MIT Press, 2015).
28. Tony Bennett, "Culture and Governmentality," in *Foucault, Cultural Studies, and Governmentality*, ed. J.Z. Bratich, Jeremy Packer, and Cameron McCarthy (Albany, NY: State University of New York Press, 2003), 47-63.
29. Kim Hong Nguyen, ed., *Rhetoric in Neoliberalism* (Cham: Palgrave Macmillan, 2017).
30. Laval and Dardot, *The New Way of the World.*

The historical-materialist perspective divides the development of human society into stages based on its mode of production, which encompasses both the forces of production (such as tools and technology) and the relations of production (how labor is organized).[31] Historically, there have been five major modes of production: primitive communism, slavery, feudalism, capitalism, and socialism.[32] Each stage develops internal contradictions that ultimately lead to its revolutionary transformation into a new social order. Importantly, past forms of society do not disappear all at once; remnants of previous modes of production persist within newer systems. In this sense, capitalism did not appear overnight, but emerged from within the decaying structures of feudalism, gradually supplanting it as its internal contradictions intensified.

Capitalism itself can be divided into several distinct periods or stages. The earliest period was identified by Marx as "primitive accumulation."[33] This involved the dispossession of peasants from the common land, colonial conquest, and the transatlantic slave trade. These activities created the conditions for the development of capitalism by centralizing wealth and resources in the hands of a few, setting the stage for wage labor and commodity production.[34] Primitive accumulation was followed by the era of mercantile capitalism, marked by the dominance of merchants and the expansion of long-distance trade.[35] During this time, the early factory system began to emerge, but production largely remained organized by guilds and artisans.

By the end of the 18th century, the Industrial Revolution shifted capitalism's center from trade to large-scale factory production. Manufacturing displaced guilds, and a sharp division between capitalists and workers emerged.[36] This era was defined by classical liberalism, which promoted individual rights and free markets as natural expressions of liberty.[37] But the promise of free competition soon gave way to monopoly capitalism.[38] Smaller firms were

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31. Leszek Kolakowski, *Main Currents of Marxism: Its Origins, Growth and Dissolution, Volume I: The Founders*, (Oxford: Oxford University Press, 1978), page 156.

32. Gennady Belov, *What Is the State?* (Moscow: Progress Publishers, 1986), 17.

33. Karl Marx, *Capital, Volume 1: A Critique of Political Economy* (Lawrence, KS: Digireads.com Publishing, 2017; originally published 1867), 616.

34. John Eaton, *Political Economy: A Marxist Textbook* (New York: International Publishers, 1966), 43-61.

35. Ibid, 45.

36. Ibid, 59.

37. Manfred B. Steger and Ravi K. Roy, *Neoliberalism: A Very Short Introduction* (Oxford: Oxford University Press, 2010).

38. Vladimir I. Lenin, *Imperialism: The Highest Stage of Capitalism* (London: Penguin Classics, 2010; originally published 1917).

absorbed into large corporations, forming cartels and conglomerates. Capitalist states expanded abroad in search of markets and resources, revealing the imperialist dimension of the system.[39] The unregulated market, far from guaranteeing freedom, produced a new kind of domination — financial oligarchy masked as liberty.

In the early 20th century, several global developments pushed monopoly capitalism into a period of transformation. In response to the Great Depression and World War II, the Western capitalist countries adopted extensive policies of state intervention and social welfare to stabilize their economies and contain social unrest. This period, often referred to as state-managed capitalism, saw governments take an active role in economic regulation — nationalizing key industries, expanding public services, and creating social safety nets.[40]

The period of state-managed capitalism was marked by high public spending, progressive taxation, and a heavily unionized workforce. The economy functioned under the logic of mass production, standardized labor, and rising wages to create a stable base of mass consumers.[41] This supported the growth of a large middle-class, strong organized labor, and a relative degree of economic equality. Welfare policies during this era were not socialist in character but rather reformist measures designed to save capitalism from itself, defuse working-class militancy, and prevent revolutionary upheaval.[42] As Nicole Aschoff explained, "the only thing that kept [state-managed capitalism] alive was the threat posed by the Soviet Union, the space for profitable economic growth after the devastation of World War II, and the power of organized labor and mass social movements – a power so great it made ruling elites quake."[43]

By the end of the 1970s, the state-managed capitalist order was in crisis.[44] The economy was experiencing several problems, including inflation,

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39. Tom Bramble, "Understanding War: Lenin's 'Imperialism: The Highest Stage of Capitalism'," *Monthly Review Online* (April 23, 2022): https://mronline.org/2022/04/23/understanding-war-lenins-imperialism/

40. John Maynard Keynes, *The General Theory of Employment, Interest and Money* (London: Macmillan, 1936).

41. Paul Sweezy, *The Theory of Capitalist Development* (New York: Monthly Review Press, 1942).

42. Bryan Koulouris, "FDR and the Limits of the New Deal," *Socialist Alternative* (August 10, 2020): https://www.socialistalternative.org/2020/08/10/fdr-and-the-limits-of-the-new-deal/.

43. Nicole Aschoff, "Do Managers Rule?" *Catalyst: A Journal of Theory and Strategy* 2(4) (2019): 137.

44. Alessandro Bonanno, *The Legitimation Crisis of Neoliberalism: The State, Will-Formation, and Resistance* (New York: Springer, 2017).

unemployment, oil shocks, and declining profits. These conditions discredited state-managed capitalism in the eyes of the ruling class and opened the door to new ideas. Neoliberalism was offered as a solution that could restore the economy by favoring capital over labor. President Jimmy Carter became the first administration that began to experiment with neoliberal policies, shifting the Democratic Party away from New Deal economic policies toward fiscal conservatism. Carter slashed the top income tax-rates and deregulated several key industries, including trucking, airlines, railroads, and oil.[45] This set the stage for Ronald Reagan to deepen and accelerate the neoliberal turn, embedding market deregulation, austerity, and anti-labor policies as the new bipartisan consensus that would dominate American politics for decades.

When Reagan took office in 1981, he famously declared, "government is not the solution to our problem; government is the problem."[46]. Reagan slashed the top marginal income tax rates from 70% down to 28%.[47] This was justified by the pseudo-intellectual doctrine of "supply-side economics," which claimed that cutting taxes for the rich would "trickle down" to the benefit of the working-class.[48] Reagan followed his upper-class tax-cuts with massive reductions in funding for welfare programs, public housing, education, and healthcare.[49] But perhaps most significantly, Reagan launched an all-out assault on organized labor. In 1981, Reagan infamously fired 11,000 striking air traffic controllers, signaling an aggressive stance against labor unions.[50] As a result, union membership declined sharply throughout the 1980s.

The election of Democratic Party president Bill Clinton in 1992 demonstrated the extent to which neoliberalism had become accepted by both parties. Clinton

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45. Sean T. Byrnes, "Jimmy Carter Held the Door Open for Neoliberalism," *Jacobin* (2024): https://jacobin.com/2024/12/jimmy-carter-obituary-neoliberalism-foreign-policy

46. Lawrence W. Reed, "Ronald Reagan at 110: Twenty of His Best Quotes on Freedom, Government, and America," *Foundation for Economic Education*, February 6, 2021, https://fee.org/articles/ronald-reagan-at-110-twenty-of-his-best-quotes-on-freedom-government-and-america/

47. Joseph J. Thorndike, "Reagan's Tax Cut Just Turned 40 — And It's Still The Most Important Tax Reform Since World War II," *Forbes* (September 3, 2021): https://www.forbes.com/sites/taxnotes/2021/09/03/reagans-tax-cut-just-turned-40---and-its-still-the-most-important-tax-reform-since-world-war-ii/

48. Daniel Liberto, "5 Reasons Why Supply-Side Economics Does Not Work," *Investopedia* (July 31, 2024): https://www.investopedia.com/supply-side-economics-6755346

49. Jeremy Lybarger, "The Price You Pay: On the Life and Times of the Woman Known as the Welfare Queen," *The Nation* (July 2, 2019): https://www.thenation.com/article/archive/josh-levin-the-queen-book-review/

50. Julia Simon and Kenny Malone, "Looking Back On When President Reagan Fired The Air Traffic Controllers," *NPR* (August 5, 2021): https://www.npr.org/2021/08/05/1025018833/looking-back-on-when-president-reagan-fired-air-traffic-controllers

proudly declared that "the era of big government is over" and continued his predecessor's policies of deregulation and privatization.[51] During his eight years in office, Clinton launched a massive overhaul of the welfare system, drastically expanded the carceral state, de-industrialized manufacturing jobs, and deregulated the financial sector.[52]

The bipartisan neoliberal consensus continued into the 21st century with the subsequent presidencies of Bush and Obama, who both offered little more than slight variations on the same neoliberal policy agenda. It seemed as though neoliberalism was an unstoppable force, the "end of history," as Fukuyama had foretold. Yet beneath this apparent consensus, the structural contradictions of neoliberal capitalism were deepening — setting the stage for a profound legitimation crisis and the beginnings of a revolutionary situation. It is the nature of this crisis that we turn to next.

The Crisis of Neoliberalism

In the wake of the 2008 financial crash, the ruling class has become increasingly unable to secure consent through traditional means such as electoral politics, consumer integration, or ideological control. This has led to widespread disillusionment with the institutions of bourgeois society, growing political polarization, and an erosion of faith in capitalism's ability to provide a stable or dignified life. The old consensus — built on endless growth, upward mobility, and consumer abundance — has fractured. In its place has emerged a volatile social order marked by economic precarity, mass debt, collapsing public infrastructure, and a rising tide of resistance. What we are witnessing is not merely a political crisis, but a structural one. Neoliberalism has exhausted its ability to stabilize the system it was designed to rescue.

In order to understand the current instability of neoliberal capitalism, it is essential to examine the theoretical conditions under which a social order begins to unravel. Lenin's concept of a *revolutionary situation* offers us a crucial insight into how and when ruling systems enter periods of crisis and

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51. Alison Mitchell, "Clinton Offers Challenge to Nation, Declaring 'The Era of Big Government Is Over,' " *The New York Times*, January 24, 1996: https://www.nytimes.com/1996/01/24/us/state-union-overview-clinton-offers-challenge-nation-declaring-era-big.html

52. Jason Resnikoff, "How Bill Clinton Became a Neoliberal," *Jacobin* (August 31, 2023): https://jacobin.com/2023/08/a-fabulous-failure-review-bill-clinton-neoliberalism-capitalism

potential transformation.[53] Lenin identified three essential objective conditions that signal the onset of a revolutionary situation: first, the ruling class is no longer able to govern in the old way, which leads to a crisis at the top; second, the misery and suffering of the working-class has grown extreme, generating a crisis from below; and finally, the masses begin to take independent political action demanding change.[54] Yet even these conditions are not sufficient on their own. What determines whether a revolution actually occurs is the presence of a *subjective factor* — that is, a conscious and organized revolutionary force capable of leading the masses in toppling the old order. This includes the political consciousness of the working class, its level of organization, and most importantly, the existence of a vanguard party capable of developing and applying a clear revolutionary strategy.[55]

Today, many of Lenin's objective conditions are already present. There is growing evidence of a crisis at the top, with the ruling class becoming fractured and increasingly reliant on authoritarian and technocratic measures to maintain control. Public opinion polls reveal a broad loss of trust in nearly every major American institution—from schools and healthcare to Congress, the media, and the criminal justice system.[56] This collapse of institutional trust has forced the ruling class to govern through increasingly unstable and contradictory means. Rather than securing consent through genuine democratic participation or shared prosperity, the elites now rely on a combination of authoritarian coercion, technocratic management, and manufactured spectacle. Political leadership increasingly takes the form of aestheticized rebellion, with candidates across the spectrum marketing themselves as outsiders, disruptors, or populists — even as they remain fully embedded in the structures of elite power.[57] This phenomenon is not a renewal of democratic vitality but a symptom of decay: the ruling class can no longer rule in the old way, and must now simulate popular legitimacy through manipulation and performance.

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53. Vladimir Ilyich Lenin, "The Collapse of the Second International," in *Lenin Collected Works*, Vol. 21 (Moscow: Progress Publishers, 1974), 205–259. Originally published in *Kommunist*, No. 1–2, 1915. https://www.marxists.org/archive/lenin/works/1915/csi/

54. Anna Sertsova, Valentina Shishkina, et al., *What is Revolution?* (Moscow: Progress Publishers, 1986), 23.

55. Ibid, 34.

56. Megan Brenan, "U.S. Confidence in Institutions Mostly Flat, but Police Up," *Gallup* (July 15, 2024): https://news.gallup.com/poll/647303/confidence-institutions-mostly-flat-police.aspx

57. Carlos L. Garrido, "Confinement Through Escaping: Ideology in Contemporary American Capitalism," *Midwestern Marx Institute* (January 11, 2025): https://www.midwesternmarx.com/articles/confinement-through-escaping-by-carlos-l-garrido

At the same time, the suffering of the working class has grown acute, revealing a deep crisis from below. The disintegration of working-class life is now visible in the so-called "deaths of despair" — rising rates of suicide, drug overdose, and alcohol-related illness — particularly among middle-aged workers stripped of stable employment and social rootedness.[58] These are not isolated pathologies, but systemic outcomes of a political economy that has abandoned productive labor in favor of speculative capital. The collapse of manufacturing, the decline of union density, the erosion of public services, and the rise of precarious gig work have created a landscape of atomization, hopelessness, and rage.[59] This is not simply economic hardship but a material breakdown of the conditions of life, which, as Lenin warned, produces the combustible fuel for revolutionary change.

These mounting pressures have not gone unanswered by the masses, who have begun to take political action outside the boundaries of traditional elite consensus.[60] The rise of populist movements on the left and right reflect a widespread sense that the system is rigged, illegitimate, and incapable of meeting the needs of ordinary people.[61] However, these movements remain immature and politically incoherent, lacking both a revolutionary theory and a revolutionary organization to guide them. Their energy has been absorbed into reformist channels, redirected back into the two-party system.[62] The working class has shown signs of awakening, but its political activity is still largely spontaneous, fragmented, and reactive. As Lenin emphasized, mass unrest alone is not enough — without a conscious vanguard capable of uniting scattered discontent into a disciplined revolutionary force, such uprisings risk being defused, co-opted, or crushed. What exists today is not yet a revolutionary situation, but the raw material from which one could be built, if revolutionary leadership rises to the task. Such a moment will not arise or resolve itself spontaneously — it will require bold leadership from a vanguard

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58. Kurt Rehder, Jenna Lusk, and Jennifer I. Chen, "Deaths of Despair: Conceptual and Clinical Implications," *Cognitive and Behavioral Practice* 28(1) (2021): 40–52. https://doi.org/10.1016/j.cbpra.2019.10.002

59. Anne Case and Angus Deaton, "Mortality and Morbidity in the 21st Century," *Brookings Papers on Economic Activity* Spring (2017): 397–476.

60. Alessandro Bonanno, *The Legitimation Crisis of Neoliberalism: The State, Will-Formation, and Resistance* (New York: Springer, 2017).

61. Barry Eichengreen, "The Populist Turn in American Politics," *Current History* 116(786) (2017): 24–30

62. Margaret Kimberley, "Bernie and AOC Sheepdog for the Democrats," *Black Agenda Report* (March 26, 2025): https://www.blackagendareport.com/bernie-and-aoc-sheepdog-democrats

party, namely the ACP, to channel the mounting frustrations of the masses into organized, revolutionary struggle.

Responses to Neoliberalism

If neoliberal capitalism is facing a crisis of legitimacy, then why haven't resistance movements been successful at channeling public discontent into a revolutionary situation? Thus far, anti-establishment politics has not significantly altered the political and economic domination of neoliberalism.[63] Why is this the case? Bonanno argues that neoliberalism has been able to maintain its dominance due to the various ways in which the system has co-opted resistance movements through a process that he refers to as the "neoliberalization of resistance."[64] There has been a significant transformation in the strategies, ideologies, and organizational characteristics of social movements that has occurred during the transformation from state-managed capitalism to neoliberalism. Class struggle during the period of state-managed capitalism was based on "social places of opposition," or spatial locations of socio-political aggregation where people could collectively pursue oppositional struggle.[65] These social places of opposition included schools, neighborhoods, workplaces, and other geographic locations where communities of people were spatially concentrated. As a result, resistance was expressed through participation in membership-based organizations, such as labor unions and the Communist Party. Today, resistance has shifted to loosely connected informal organizations that emphasize individual action over class struggle.[66] Individual activism is often expressed through consumption in the market. Under neoliberalism, supporting a political cause takes the form of purchasing an "environmentally friendly" product or supporting a "socially conscious" brand, actions which turn resistance into a commodity.[67]

A related phenomenon is the rise of what Nancy Fraser has termed "progressive neoliberalism," which is an attempt to harmonize leftist ideals of social justice

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63. Philip Mirowski, "The Death of Neoliberalism Has Been Greatly Exaggerated," *Jacobin* (April 27, 2022): https://jacobin.com/2022/04/end-of-neoliberalism-think-tanks-lobby-groups

64. Bonanno, *The Legitimation Crisis of Neoliberalism,* 211.

65. Ibid.

66. Benjamin Y. Fong and Melissa Naschek, "NGOism: The Politics of the Third Sector," *Catalyst: A Journal of Theory and Strategy* 5(1) (2021): https://catalyst-journal.com/2021/05/ngoism-the-politics-of-the-third-sector

67. Colin Crouch, *Making Capitalism Fit for Society* (Cambridge: Polity Press, 2013).

with the market imperatives of corporate profit.[68] This doctrine of progressive neoliberalism emerged as many on the left began to see capitalism as unassailable, and therefore sought a way to pursue leftist goals of social emancipation within the parameters of the neoliberal order.[69] In particular, advocates of progressive neoliberalism seek to align movements that advocate for identity politics with powerful sectors of the business world, such as finance, Big Tech, and the mass media.[70] This has led to an odd alliance of "movements that stress identity and the right to be different with Wall Street, the Silicon Valley, and Hollywood."[71] It can be seen, then, that progressive neoliberalism is an attempt to use identity politics to mask capitalist exploitation behind a veneer of diversity.[72]

However, this doctrine has proved to be both deeply unpopular and completely ineffective at containing the growing contradictions of neoliberal capitalism. The obsession with identity politics has led to a widespread backlash, as many reject the notion that elevating a new rank of black professionals into the halls of corporate power constitutes genuine progress for the black working-class.[73]Rather than lead to any substantial change in political-economic policy, progressive neoliberalism has merely contributed to an increased fragmentation of society, leading to widespread polarization and division. Perhaps this is because slapping a progressive veneer on neoliberal capitalism was destined to fail. As Friedrich Engels once explained, the bourgeoisie will always essentially be conservative, no matter how liberal it dresses itself up to be.[74]

The failure of progressive neoliberalism has not gone unanswered. In its wake, a growing populist backlash has taken shape in America, giving rise to new

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68. Nancy Fraser and Lara Monticelli, "Progressive Neoliberalism Isn't the Solution: We Need a Radical, Counter-Hegemonic and Anti-Capitalist Alliance," *Emancipations: A Journal of Critical Social Analysis* 1(1) (September 2021): https://scholarsjunction.msstate.edu/cgi/viewcontent.cgi?article=1002&context=emancipations

69. Adolph Reed Jr. and Merlin Chowkwanyun, "Race, Class, Crisis: The Discourse of Racial Disparity and Its Analytical Discontents," *Socialist Register* 48 (2012): 149–175.

70. Nancy Fraser, "Against Progressive Neoliberalism, A New Progressive Populism," *Dissent* (January 28, 2017): https://www.dissentmagazine.org/online_articles/nancy-fraser-against-progressive-neoliberalism-progressive-populism/

71. Bonanno, *The Legitimation Crisis of Neoliberalism,* 213.

72. Walter Benn Michaels, *The Trouble with Diversity: How We Learned to Love Identity and Ignore Inequality* (New York: Holt Paperbacks, 2007).

73. Keeanga-Yamahtta Taylor, "Black Faces in High Places," *Jacobin* (May 4, 2015): https://jacobin.com/2015/05/baltimore-uprising-protests-freddie-gray-black-politicians

74. Friedrich Engels, *The Condition of the Working-Class in England* (Oxford: Oxford University Press, 2009), 84.

movements on both the left and the right. Disillusioned with decades of neoliberal policies and the hollow promises of identity politics, millions have turned toward populist alternatives that claim to speak for the people against entrenched power. It is to these populist movements that we now turn.

The Rise of Populism

Marx famously observed that history repeats itself, first as tragedy, then as farce.[75] The rise of 21st century populism illustrates this pattern all too well. The crises of the early 20th century — World War I, the Great Depression — provoked a wave of militant labor organizing and a surge in socialist radicalism.[76] In contrast, the response to the Great Recession has not been the rebirth of a mass communist movement, but rather the rise of a populist backlash that resembles more a diffuse mood of discontent than a revolutionary project. Despite its ideological vagueness, this populist mood has provoked panic among elites, revealing just how fragile neoliberal legitimacy has become.

But what is populism? The term first emerged in the 1890s with the People's Party, which championed agrarian interests against industrial elites. Today, it broadly refers to political movements that seek to represent the interests of "the people" against a "corrupted elite."[77] Yet who counts as "the people" and who belongs to "the elite" varies widely, making populism a flexible and often ambiguous category. Scholars typically distinguish between left-wing and right-wing varieties of populism. Purdy argues that left populism punches upward at the elite, while right-wing populism punches both up and down – attacking the elites while also scapegoating those at the bottom who are seen as threats to the people, such as immigrant groups.[78]

Since 2008, both forms of populism have gained ground in U.S. politics, reflected in protest movements and electoral campaigns alike. While they give voice to growing discontent with neoliberalism, neither offers a coherent

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75. Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* (New York: International Publishers, 2004 [1852]), 15.

76. Red Pen, "A Marxist Analysis of 20th Century U.S. Capitalism," *YouTube* (June 17, 2023): https://www.youtube.com/watch?v=oYxnrNkYx-U&t=2s

77. Cas Mudde and Cristóbal Rovira Kaltwasser, *Populism: A Very Short Introduction* (New York: Oxford University Press, 2017), 6.

78. Jedediah Purdy, "The Two Populisms," *The Nation* 303(18) (October 31, 2016): 28.

revolutionary alternative. The following section will explore the specific dynamics of left and right populism, highlighting their appeal, and their limitations.

Left-Wing Populism

The current wave of left-wing populist resistance to neoliberalism began with Occupy Wall Street in 2011 — a mass uprising against economic inequality that spread rapidly across the country. Sparked by the 2008 financial crisis, Occupy helped shape public discourse with its popular slogan, "we are 99 percent!"[79] The movement's strategy was centered on physically reclaiming public spaces as symbolic encampments of resistance. These "occupied zones" were intended to represent liberated spaces where democratic participation and communal living could flourish.[80] However, this tactic ultimately failed, with the encampments being torn down and evicted by the police.[81]

Despite raising awareness of income inequality, Occupy suffered from two major weaknesses. First, its central slogan, though rhetorically effective, failed to articulate a class analysis. By presenting the crisis as a moral outrage committed by the "1 percent" against the "99 percent," Occupy obscured the structural relationship between labor and capital and collapsed class distinctions. Its critique was focused on the *distribution* of wealth, not the *production* and ownership of it.[82] Second, the movement rejected formal leadership, refused to articulate demands, or build organizational infrastructure.[83] As a result, Occupy was unable to contest capitalist dominance in any serious manner. In retrospect, the movement revealed a real hunger for anti-capitalist politics — but lacked the theory, discipline, and organizational clarity necessary to channel that hunger into revolutionary action.

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79. Sarah van Gelder, ed., *This Changes Everything: Occupy Wall Street and the 99% Movement* (San Francisco: Berrett-Koehler Publishers, 2011).

80. Michael Bolton, Sophia Froese, and Alexander Jeffrey, "This Space Is Occupied!: The Politics of Occupy Wall Street's Expeditionary Architecture and De-gentrifying Urbanism," in *Occupying Political Science: The Occupy Wall Street Movement from New York to the World*, ed. Cristina Flesher Fominaya and Catherine Eschle (New York: Palgrave Macmillan US, 2013), 135–161.

81. Alan Taylor, "Occupy Wall Street Faces Evictions," *The Atlantic* (November 15, 2011): https://www.theatlantic.com/photo/2011/11/occupy-wall-street-faces-evictions/100189/

82. Anton Jäger and Arthur Borriello, "Making Sense of Populism," *Catalyst: A Journal of Theory and Strategy* 3(4) (2020), 67.

83. Christie Offenbacher and Benjamin Y. Fong, "Occupy in Retrospect," *Catalyst: A Journal of Theory and Strategy* 5(4) (Winter 2022): https://catalyst-journal.com/2022/03/occupy-in-retrospect

In the wake of Occupy's collapse, the momentum it unleashed found a new outlet in electoral politics — culminating in the 2016 and 2020 Bernie Sanders campaigns, which marked the peak of left-populist electoral energy in the United States. Sanders galvanized millions, especially young college students and downwardly mobile urban professionals, by speaking the language of the working class in an era of elite technocratic detachment. Sanders openly embraced the label "socialist," breaking a decades-long taboo in American politics.[84] He called for a "political revolution," railed against the billionaire class, and demanded reforms like Medicare for All, tuition-free college, and progressive taxation.[85] In doing so, he brought the term "socialism" back into mainstream political discourse and exposed the corruption of the Democratic National Committee (DNC).[86]

Yet Sanders' populism was defined as much by its limitations as its breakthroughs. The DNC actively undermined his campaign in both election cycles, rigging the primary process to secure establishment victories.[87] Rather than confront this betrayal or break from the Democratic Party, Sanders capitulated to the party elite. Despite mobilizing a mass movement, he refused to pursue an independent path outside the Democratic machine. His critique of the party elites ultimately collapsed into a call to vote for the very establishment politicians he had just denounced. As such, Sanders functioned not as a threat to the Democratic Party, but as its left-wing safety valve — channeling discontent back into the party.[88]

Politically, Sanders' vision suffered from the same ideological weaknesses as Occupy. His critique of capitalism focused on redistribution, not production. While he advocated for a more generous welfare state, he never challenged the capitalist ownership of the means of production. His "socialism" amounted to a

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84. Andrew Prokop, "Read Bernie Sanders's Speech on Democratic Socialism in the United States," *Vox* (November 19, 2015): https://www.vox.com/2015/11/19/9762028/bernie-sanders-democratic-socialism

85. Andrew Prokop, "Bernie Sanders Says America Needs a 'Political Revolution.' What Does That Mean?" *Vox* (November 14, 2015): https://www.vox.com/2015/11/14/9737202/democratic-debate-bernie-sanders-political-revolution

86. Russell Berman, "The Night Socialism Went Mainstream," *The Atlantic* (February 11, 2020): https://www.theatlantic.com/politics/archive/2020/02/bernie-sanders-wins-new-hampshire/606022/

87. Donna Brazile, "Inside Hillary Clinton's Secret Takeover of the DNC," *Politico* (November 2, 2017): https://www.politico.com/magazine/story/2017/11/02/clinton-brazile-hacks-2016-215774

88. Kimberley, "Bernie and AOC Sheepdog for the Democrats."

nostalgic desire to restore the New Deal rather than to supersede capitalism.[89] In the end, Sanders offered not a break with capitalist exploitation, but a more humane version of it.

Following the collapse of the Sanders campaigns, the most significant political developments were the explosive growth of the Democratic Socialists of America (DSA) and the electoral rise of a new generation of politicians known as "the Squad."[90] Together, they represent the institutional afterlife of Bernie's populist wave — its energy absorbed, redirected, and ultimately neutralized by the Democratic Party. The DSA saw rapid expansion in the wake of Sanders' rise. Virtually overnight, its membership surged from around 6,000 to nearly 60,000, with the median age dropping from 68 to 33.[91] Yet while the numbers grew, its strategy remained firmly tied to the Democratic Party. Founded during the Cold War, the DSA sought to distance itself from Marxism-Leninism and explicitly denounced the Soviet Union. Instead, they advocated for working within the Democratic Party, calling this strategy "the left wing of the possible."[92] The DSA was never intended as a vehicle for class struggle, but as a pressure group aimed at nudging the Democrats leftward through electoral reform and moral persuasion. However, after decades of futile attempts to "push the party to the left," it is clear that the DSA's strategy is fundamentally flawed.

The failure of left-wing populism is not accidental — it reflects a deeper historical pattern. The debate between reform and revolution has a long history within the socialist movement. Marxists, such as Rosa Luxemburg in her famous pamphlet *Reform or Revolution*, have always maintained that reforms can be valuable, but only insofar as they prepare the working class for the final, decisive struggle against capitalism itself.[93] Lenin, likewise, rejected the idea that workers should be placated with redistribution, mocking the idea of

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89. Remo Erdosain, "Sanders' Speech Explains His Vision of Socialism—It Sounds a Lot like New Deal Liberalism," *Left Voice* (June 13, 2019): https://www.leftvoice.org/sanders-speech-explains-his-vision-of-socialism-it-sounds-a-lot-like-new-deal-liberalism/

90. Jacob Crosse, "Alexandria Ocasio-Cortez at the DNC: The Pro-Imperialist Politics of the DSA," *World Socialist Web Site* (August 22, 2024): https://www.wsws.org/en/articles/2024/08/23/vlyh-a23.html

91. Angela Nagle and Michael Tracey, "First as Tragedy, Then as Farce: The Collapse of the Sanders Campaign and the 'Fusionist' Left," *American Affairs* 4(2) (2020).

92. Victor Navasky, "The Left Wing of the Possible," *The New York Times* (May 28, 2000): https://archive.nytimes.com/www.nytimes.com/books/00/05/28/reviews/000528.28navaskt.html

93. Leszek Kołakowski, *Main Currents of Marxism: Its Origins, Growth and Dissolution, Volume 2: The Golden Age*, trans. P. S. Falla (Oxford: Oxford University Press, 1978), 77.

fighting over “crumbs” left by the bourgeoisie.[94] For Marxists, the goal has always been seizing control of state power and the means of production.

Left-wing populism has failed to learn from this history. It seeks to challenge neoliberalism, but not capitalism as a whole. Its politics are rooted in economic nostalgia — a longing to return to the New Deal and the mid-century welfare state.[95]. But that era of state-managed capitalism was made possible by conditions that no longer exist. First, it was the strength of militant labor that forced capital to make concessions.[96] Second, the existence of the Soviet Union offered a viable alternative that threatened the dominance of global capitalism.[97] And third, the postwar dominance of U.S. imperialism allowed the American ruling class to extract super-profits from the Global South, using them to pacify its domestic working class.[98] Without those structural conditions, the dream of returning to a more humane capitalism is fantasy. Left-wing populism, far from breaking the system, serves to stabilize it — giving the illusion of dissent while protecting capital.

Right-Wing Populism

The current manifestation of right-wing populism can trace its roots back to the Tea Party movement, which emerged in 2009 in response to the financial crisis.[99] While often dismissed as racist and reactionary by neoliberals, the Tea Party was rooted in the real grievances of downwardly mobile middle Americans, particularly small business owners and rural conservatives whose economic standing had deteriorated under neoliberal capitalism.[100] They protested the Wall Street bailouts and railed against tax increases. Though many Tea Party activists claimed to support the free-market, their critique of

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94. V. I. Lenin, *The Agrarian Programme of Social-Democracy in the First Russian Revolution, 1905–1907* (Moscow: Progress Publishers, 1972).

95. Meagan Day, “How Social Reactionaries Exploit Economic Nostalgia,” *Jacobin* (May 20, 2025): https://jacobin.com/2025/05/1950s-us-class-culture-conservatism

96. Kim Moody, “Worker Insurgency and the New Deal,” *Tempest* (December 20, 2022): https://tempestmag.org/2022/12/worker-insurgency-and-the-new-deal/

97. Aschoff, “Do Managers Rule?” 137.

98. Carlos L. Garrido, “MAGA: Its Rise and Potential for American Communists,” *Midwestern Marx Institute* (May 17, 2025): https://www.midwesternmarx.com/articles/maga-its-rise-and-potential-for-american-communists-by-carlos-l-garrido

99. Ronald P. Formisano, *The Tea Party: A Brief History* (Baltimore: Johns Hopkins University Press, 2012)

100. Bhaskar Sunkara, “A Thousand Platitudes: Liberal Hysteria and the Tea Party,” *New Politics* (June 2, 2011): https://newpol.org/thousand-platitudes-liberal-hysteria-and-tea-party/

"crony capitalism" reflected a proto-class consciousness: a vague sense that the system was rigged, even if they misidentified the source of their oppression.[101] Ultimately, the Tea Party was absorbed into the Republican establishment, where it served to redirect working-class anger into culture war politics while leaving capitalist power structures untouched.[102]

The ultimate electoral expression of right-wing populism in the United States has been the rise of Donald Trump and the Make America Great Again (MAGA) movement. While often reduced to the persona of Trump himself, MAGA is not about one man — it is a broader political expression of disillusionment, betrayal, and class anger among millions of Americans.[103]. Trump, despite being a billionaire real estate mogul and reality TV celebrity, became a vessel for this discontent. His presidential campaigns broke from Republican Party orthodoxy in key ways: he attacked political corruption, criticized neoliberal trade deals, promised to "drain the swamp," and lambasted the corporate media as "fake news."[104] He portrayed America as a nation in decline, ravaged by "carnage," and offered himself as a populist savior.[105] Trump's crude, unscripted style and rejection of technocratic decorum exposed the fragility of elite authority, and resonated with millions of Americans — especially in rural, deindustrialized, and small-town regions.[106].

The political establishment responded to Trump with open panic. In their ideological hysteria, they branded him simultaneously as a fascist and a Russian agent — Hitler and Stalin in the same breath.[107] These absurd claims reveal less about Trump himself than about the crisis of neoliberalism. What the ruling-class truly fears is not Trump's policies — many of which conform to capitalist orthodoxy — but the fact that he pierced the illusion of consensus

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101. Vanessa Williamson, "The Tea Party in Retrospect," *Catalyst: A Journal of Theory and Strategy* 1(2) (Summer 2017): https://catalyst-journal.com/2017/11/tea-party-williamson

102. Tim Alberta, "How We Killed the Tea Party," *Politico* (August 14, 2016): https://www.politico.com/magazine/story/2016/08/tea-party-pacs-ideas-death-214164/

103. Jonathan Brown, "The Nonsense of MAGA Communism: A Response," *Midwestern Marx Institute* (April 23, 2025): https://www.midwesternmarx.com/articles/the-nonsense-of-maga-communism-a-response-by-jonathan-brown

104. Theodoric Meyer, "Has Trump Drained the Swamp in Washington?" *Politico* (October 19, 2017): https://www.politico.com/story/2017/10/19/trump-drain-swamp-promises-243924

105. Alex Shephard, "Trump's Fake Populism," *The New Republic* (April 8, 2025), 8-10.

106. Joan C. Williams, "The Left Has to Speak to Average Americans' Values," *Jacobin* (May 10, 2025): https://jacobin.com/2025/05/trump-middle-class-values-left

107. Anne Applebaum, "Trump Is Speaking Like Hitler, Stalin, and Mussolini," *The Atlantic* (October 18, 2024): https://www.theatlantic.com/politics/archive/2024/10/trump-authoritarian-rhetoric-hitler-mussolini/680296/

and gave voice to millions of disgruntled workers.[108] Hillary Clinton captured the contempt of the neoliberal elite when she dismissed the MAGA movement as a "basket of deplorables."[109] A cottage industry of pundits and researchers emerged to insist that economic anxiety played no role in Trump's success, reducing everything to racial resentment.[110] But this narrative collapses under scrutiny. Millions of Obama voters switched to Trump in 2016, and Trump gained historic levels of support from non-white voters in 2024.[111]. MAGA is not an expression of white supremacy but rather an embryonic form of class discontent.

For all his populist bombast, Trump is clearly no revolutionary. He is a capitalist oligarch who critiques the system without actually challenging it. His rhetoric captures mass frustration, but his ideology is incoherent and his policies serve the very system he claims to oppose. Despite promising to "drain the swamp," Trump filled his administration with corporate executives, lobbyists, and war hawks —the same swamp creatures he had railed against.[112] Far from dismantling neoliberalism, his tariffs function as a means of shifting tax burdens onto workers, reinforcing the very structures Trump claimed to resist.[113]

Right-wing populism is a symptom of a system in crisis. It offers no coherent solution, but it does mark a rupture — an opening through which a genuine communist alternative can emerge.[114] The task now is to meet this moment with revolutionary clarity — not vague populist slogans or nostalgia for postwar liberalism, but a working-class movement capable of confronting capitalism at its root.

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108. Daniel Kinderman, "The Neoliberal Revolution in Industrial Relations," *Catalyst: A Journal of Theory and Strategy* 2(4) (Winter 2019), 118-119.

109. Domenico Montanaro. "Hillary Clinton's 'Basket Of Deplorables,' In Full Context Of This Ugly Campaign." *NPR* (September 10, 2016): https://www.npr.org/2016/09/10/493427601/hillary-clintons-basket-of-deplorables-in-full-context-of-this-ugly-campaign

110. Emmitt Y. Riley III and Clarissa Peterson, "Economic Anxiety or Racial Predispositions? Explaining White Support for Donald Trump in the 2016 Presidential Election," *Journal of Race and Policy* 14(1) (2019): 5–23.

111. Martha McHardy, "Barack Obama Voters Are Donald Trump Supporters Now," *Newsweek* (November 9, 2024): https://www.newsweek.com/barack-obama-donald-trump-voters-2024-election-education-income-1982579

112. Shephard, "Trump's Fake Populism."

113. Michael Hudson, "Trump's Inverted View of America's Tariff History," *Midwestern Marx Institute* (April 23, 2025): https://www.midwesternmarx.com/articles/trumps-inverted-view-of-americas-tariff-history-by-michael-hudson

114. Haz Al-Din. "The Rise of MAGA Communism." *Substack* (September 18, 2022): https://showinfrared.substack.com/p/the-rise-of-maga-communism?sd=pf

Conclusion

The neoliberal era began in the 1980s, driven by a bipartisan consensus around market privatization, deregulation, trade liberalization, and incarceration. After the fall of the Soviet Union, this model was celebrated as the final triumph of capitalism — the so-called "end of history." For a brief moment, the ruling class believed its own mythology: that bourgeois democracy and the free-market had permanently defeated the specter of communism. But today, that illusion lies in ruins. No one — least of all the neoliberals themselves — still believes the Western capitalist order is stable, just, or inevitable. After four decades, neoliberalism has produced nothing but stagnation, inequality, and decay. The objective conditions for revolutionary transformation are present. But history does not advance through conditions alone. It demands conscious leadership — a revolutionary force capable of giving direction to mass discontent.

The populist movements that have emerged reflect the rage of a population betrayed by elites and abandoned by both major parties — but they offer no real path forward. We must go beyond the dead-end of populism. Both left-wing and right-wing variants rely on nostalgia: a longing to return to the postwar era of state-managed capitalism. But that material foundation is gone. There will be no New Deal revival, no return to the Great Society. The path forward is not back to a kinder capitalism, but toward a new system entirely. Only communism can resolve the current crisis — by ending the dictatorship of capital and placing society's needs at the center of economic life.

In opposition to decades of neoliberal policies that have hollowed out the American economy, the ACP stands poised to offer a genuine socialist alternative — rooted in the unique social and historical conditions of the American people. Against the neoliberal era's drive toward privatization, the ACP demands housing, healthcare, education, and employment as fundamental rights. In response to the offshoring of manufacturing and the collapse of industrial labor, it calls for the reindustrialization of the country under public ownership and democratic control. The task ahead is to transform the public's widespread discontent with the status quo into a revolutionary movement for a renewed and distinctly American socialism. A new chapter in American history is waiting to be written — and only a revived communist movement can lead the way.

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